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Russia: Yeltsin's Visit, Speech in Tver Reported

MM1006122796 Moscow SOVETSKAYA ROSSIYA in Russian 8 Jun 96 p 4

[Report by Yuriy Burov: "Reproaches and Promises. While in Tver, President B. Yeltsin Was Unstinting With Promises to All and Sundry"]

[FBIS Translated Text] His first meeting was with workers at the "Zavolzhskoye" Joint-Stock Company. This is a major piggery with an annual output of about 11,000 tonnes of excellent pork. It is, in addition, a breeding farm. Weight gains are enviable. Only the "Omskiy Bekon" firm, a rival of the Volga Valley establishment, performs better than "Zavolzhskoye," but not all the time. By today's standards, profitability is fantastic — 43 percent. The pig breeders have also set up their own trade network which yields "hard cash." In other words, the enterprise is going all out to adapt to market conditions. To no avail, alas. The president's very first question: "How is life?", immediately produced the answer: "Tough. People are working all out. As they should and as much as they should. But no wages have been paid for three months now. They are keeping us down, they are not letting us develop."

"Who is keeping you down?" The president glibly voiced his amazement. **"Name him."**

"The state is keeping us down."

And they cited figures. The federal budget alone owes the stockbreeders more than 6.5 billion rubles [R], and the oblast budget owes them several billion. The peasants themselves owe R4 billion to suppliers of feeds and equipment.

Agriculture Minister V. Khlystun attempted to explain to the president that virtually all piggeries and poultry factories in the country are in the same — if not in a worse — position. And had the state released its subsidies on time, as promised, then....

"Don't talk to me about the whole of Russia!", Yeltsin interrupted the minister. **"Now we are here, and it is these people's problems we have to resolve. When we get elsewhere, we'll tackle other people's problems."** He then asked: **"And why is the oblast budget failing to meet its commitments to the stockbreeders?"**

Governor V. Platov explained that it is all the fault of industrial enterprises which are standing idle. Over a four-month period output has declined by 18 percent, the oblast budget has no funds due to nonpayment of taxes, and there is no money to pay subsidies. Unemployment has increased by 22 percent during the first quarter. Generally speaking, the oblast is in a critical situation: Average per capita income is far below Russia's. It has come to the point where more people are dying than children being born....

The president again feigned amazement. He revealed that Russia's situation is not easy. It was, apparently, let down by the IMF. It promised to give assistance during the first half of 1996, but this has been postponed until the second half of the year. It is, therefore, probable that the situation as regards payments of pensions and of allowances to invalids and children might improve already in July. An edict has been signed appropriating R5 trillion from reserves. For settlements with the budget-funded sector. It may still be possible to negotiate a certain sum with the bank.... But the pig breeders will have to wait. Since they are shareholders, in other words their collective is autonomous, they are not dependent on the state and must work things out for themselves.

N.V. Bulychev, the enterprise's general director, remarked with profound vexation:

"But we need billions! I have been consulting people — should we slaughter the animals or pay the wages? They were unanimous: Under no circumstances should we lose our elite herd. But why should we borrow again from the banks at exorbitant rates?"

Ultimately, Yeltsin promised R5 billion. And earned for himself applause from people depressed by the lack of money. As if he had handed each and every one of them a generous gift instead of just ordering repayment of the money owed to them by the federal budget (and not in full, either).

The president also had a chat with machine operators. They also complained about unpaid wages. One woman, joining in the conversation, said that the situation was even worse in the remote areas of the countryside. The son of a Molokovskiy Rayon resident had died somewhere in the North. But there was no money to go there for the funeral. **"How come?"** Boris Nikolayevich exclaimed. **"Even neighbors help out in such cases. This is, after all, a sacred occasion. And what about the administration? Why did it not help?"** The president got no answer to his questions: Evidently, nobody among those accompanying him plucked up enough courage to say that the Molokovskiy Rayon Administration's pockets have been empty for a long time now and it owes substantial debts to workers in the budget-funded sector.

Molokovskiy Rayon is not alone in this. All working people in the oblast have been forced to tighten their belts more and more. Whereas the oblast's debt to the budget-funded sector amounted to R117 billion on 20 January, when the edict on speeding up wage arrears payments was signed, by 20 May it had reached R186 billion. Public education and science, culture, and health care are all "addicted" to chronic lack of funds. Children are suffering together with the adults: Compensations and allowances for them, amounting to about R28 billion, have not been paid. People in a fairly large number of enterprises and organizations have been waiting for this money since December last year.... Enterprises and organizations in the nonbudgetary sector are also stuck: Just over 1,000 of them owe wage arrears. And this is not all: Other payments are not being remitted from the center. Health care establishments owe R7.5 billion for medicines, R3.7 billion for food supplies, and R12.5 billion for municipal services. If someone falls ill and needs treatment, he has to provide his own food, medicines, bed linen....

Another stop at the "Zavolzhskoye" central square. The same questions: about pensions and wages. B. Yeltsin told people that he will be allocating R5 billion for the farm. But it may become necessary to help out the entire oblast. It has been painfully neglected, even the mortality rate is rising....More than likely, it will be necessary to promulgate a special edict on support for Tver Oblast.

An 80-year old widow, evidently unimpressed by the prospects which were outlined, complained to the president that payment of the supplement of R63,000 for her husband who died during the war had ceased since February. Governor V. Platov immediately promised to meet with the woman and sort things out. When told that the school is in need of repair, he remarked that the local authority is apparently to blame....

Two stops in the city. First at the railroad car plant. A railroad car plant worker: "Life is bad. They are not paying wages." **"We will sort it out."** "When will police officers start receiving their wages on time?" **"Way back in May we settled our debts to servicemen 100 percent."** This immediately prompted an objection: "Not true, no money has been paid at the Air Defense Troops Academy for several months now...." An officer of the reserve: "Some 420 apartments must be built this year for people like me. But not a single kopeck has been allocated." Yeltsin cut him short: **"The housing construction program for servicemen is being successfully fulfilled all across Russia."** True enough, the governor complained rather timidly: "We have 3,500 people waiting in line, but we are not building. No money has been allocated." "When will the Chechnya war end?" **"The war there is over,"** Yeltsin explained to the uninitiated. **"There are, true enough, some small gangs left, consisting of three, five, or seven men each. They dart about, you see, committing acts of hooliganism.... But this is no longer war, it is simply a struggle against crime which, unfortunately, has to be waged everywhere."** "Boris Nikolayevich, workers at preschool institutions are earning very little!..." **"I will sign an edict to help the oblast, we will correct the situation."** "When will doctors start earning at least as much as cleaners in the banks?" **"We think that doctors, teachers, and scientists should be on equal footing with state officials. Their salaries are double or triple what you are getting."** "What about the dollar? Why is it going up again?" **"The ruble is now convertible. If the dollar is going up, this is good. Our exports have increased, and this will yield large profits. But all this is temporary. Soon enough everything will start going down and get back to normal."** A woman standing next to me commented: "You've got a hope!" Another one added ironically: "If you listen to him, we will have to quickly start sowing new purses for our money."

The stop by the monument to Afanasiy Nikitin was the briefest of all, a handful of posters in support of Yeltsin. Some guy was shouting through a loudspeaker: "Communism will not get through!" "It will, my dear, it will!" — a woman's voice objected calmly but firmly.

The day before, when people in the oblast learned about the visit, it was assumed that the president would meet with the public. There were telephone calls to institutions and rayons. A schedule was set. Orders were issued for people to carry their passports for inspection. Then the plans were canceled. The visit ended with a speech by B. Yeltsin at the oblast administration, which was relayed on a public address system. What did the residents of Tver and the oblast learn from this speech?

The oblast is apparently "one of the most unfortunate in the country. Major enterprises are in a state of crisis: the railroad car plant, the children's literature publishing house (while we are experiencing a shortage of textbooks), the textile sector. And all this, believe it or not, right under the capital's nose!" The president dramatically scolded O. Soskovets, who was present in the hall, for oversight and inattention. He suggested that a program for the production of new-generation passenger cars be elaborated jointly with Chernomyrdin by 1 August. Especially since the country's railroad car pool is extremely worn out. Furthermore, Germany is offering 500 million German marks for the modernization of Tver's railroad car plant. True enough, the president did not utter a single word about the fact that this loan is being offered on terms which are crushing for Russia.

Touching on the problems of the countryside, Yeltsin outlined the task: Russia must meet its own needs for all basic foodstuffs already by the end of the century. He has evidently not been briefed on the estimates by practitioners and scientists who are convinced: We will be in no position to achieve even the 1990 levels in the agrarian complex over the next decade.

He promised to "quickly pay the money owed to pensioners: There are about 0.5 million of them in the oblast." He told people: **"Changes for the better are just around the corner. Things are already improving in Moscow. And the economy's engine will be steadily gathering speed. This will soon be felt by all in Tver Oblast without fail. But on one condition: Provided we do not fail 16 June. Then we will see a breakthrough for the better. Then there will be a breakthrough for the better in a year's time, maybe in 18 months' time...."**

The president especially emphasized that the previous night (once again during the night, for some reason!) he had signed yet another edict. **"It can be said that this is the edict of all edicts — on strict liability for nonfulfillment of edicts and laws...."**

Having reaffirmed yet again that he would sign a special edict on support for the oblast "as one of the most depressed," the president accompanied by his followers made his way to the dining table, having left an address to the oblast's residents. He expressed the wish that Russia's citizens would make the right choice on election day. The choice of a Russia where they would be able to live in calm and prosperity, a Russia on whose protection they would always be able to depend. If only he were right!...

The only thing to be added is that a congress of working people was being held on the day of the Tver visit. More than 200 delegates assembled there — machine builders, rural inhabitants, transportation workers, road builders, weavers.... From all cities and rayons. They spoke, of course, about the slump in production, the decline of morality, the unprecedented crime levels. About the fact that the oblast and the country are poised on the brink of extinction. Therefore, they adopted an address to their fellow-residents of the region: To cast their vote on 16 June without fail for G.A. Zyuganov, the joint candidate of the people's patriotic bloc.

Russia: Yeltsin Hears of Tver Oblast Problems, Offers Help

MM1006103496 Moscow KRASNAYA ZVEZDA in Russian 8 Jun 96 p 1

[Report by Sergey Knyazkov: "While Investigating Local Problems in Tver, the Russian President Tackled Statewide Issues"]

[FBIS Translated Text] The settlement of Zavolzhskiy was the first destination on the Russian Federation president's route through Tver Oblast 6 June. Boris Yeltsin's meetings and conversations with workers at the Zavolzhskiy Joint-Stock Company lasted around 90 minutes. According to the head of state, the situation in the oblast is extremely grave; it is one of the most backward. The production slump here has currently reached 18 percent.

During his dialogue with the oblast administration head, in which Zavolzhskiy residents took an active part, Boris Yeltsin explained that one of the keys to resolving the problems could be a treaty demarcating areas of jurisdiction and powers between federal and oblast organs of power. The administration asked by way of an experiment for Tver Oblast to be authorized to have the freedom to form its tax base autonomously and then settle up with the federal budget directly. Pointing out that many people are making similar requests, Boris Yeltsin said that, given the oblast's grave state, he had no objection to this decision.

The head of state instructed his aides to clarify the state of the work on the draft treaty on demarcation of powers with Tver Oblast. If the treaty proved to be in its final stages, he intended to sign it on the evening of 11 June on his return from his tour of a number of regions of Russia, taking in Tatarstan and Novosibirsk and Rostov Oblasts.

During a meeting with the Tver Oblast leadership the head of state announced another major measure designed to help the oblast. Noting the complex situation which has taken shape with the development and production of a new generation of cars at the country's enterprises, he asked for the examination and adoption of the relevant federal program to be speeded up. Boris Yeltsin said that Germany has offered a loan of 500 million marks to refurbish the Tver auto plant and associated plants within the framework of this program. In this connection the president had instructed First Vice Premier Oleg Soskovets to tackle promptly the question of utilizing the loan. The head of state gave instructions for 130 million rubles [R] in budget funds to be allocated to pay for cars produced by the Tver auto plant for the Far East and Sakhalin.

During the Russian president's countless meetings with people on Tver's streets virtually the same problems were broached as during his conversations with residents of the other cities and regions that he has visited over the last few weeks, namely, low wages, frequent delays with the payment of wages, low pensions, and the low level of help for veterans. The low level of material provision for medics and teachers was also mentioned. Boris Yeltsin noted that it had recently been decided to equate medical and educational personnel with state employees. This would improve their material position. What was more, the law signed on Wednesday [5 May] by the Russian Federation president instructing the Central Bank to pay the federal budget R5 trillion of its own profits was extremely important in terms of resolving the above problems promptly. All funds earmarked under this law would be primarily targeted for local budget support: paid leave for teachers, funding of some defense orders, and a number of other top-priority requirements.

Incidentally, the head of state noted in Tver, "it is clear that it is not just economic difficulties that are behind the delays with wages; often it is a question of unscrupulous leaders."

Boris Yeltsin had reached that conclusion after a host of trips around the country. He stressed that "regional, city, or rayon authorities should not shut their eyes to production. A leader is responsible for a territory, for the situation there, for people's lives." The president emphasized that "some production leaders must be made to work."

Russia: Yeltsin Highlights Positive Achievements in Tver

LD0606131796 Moscow INTERFAX in English
1230 GMT 6 Jun 96

[FBIS Transcribed Text] TVER, June 5 (Interfax) — There is no war in Chechnya any more, although the fight against crime and liquidation of small bands are being continued, President Boris Yeltsin said when meeting with residents of one of the villages in the Tver region where he arrived by helicopter on Thursday afternoon.

Yeltsin said that after having become acquainted with the socioeconomic sphere of this region he had made a decision to speed up the signing of an agreement on power-sharing between the federal center and this, as he said, neglected region.

Yeltsin shares the opinion of the regional leaders stating that only such an agreement will grant an opportunity for enterprises in the industrial and social spheres to develop more successfully in the situation of market relations.

"My time for all the days up to June 16 has been noted down hour by hour. Today I shall fly to Kazan, Rostov, Novosibirsk not returning to Moscow. We shall return in the evening of June 11," he said. Nevertheless he proposed to sign the agreement with the administration of the Tver region in the Kremlin in the evening of June 11.

"The start of the ruble's convertibility is already a great victory," Yeltsin told Tver's residents. "We are interested in a slight growth of the dollar rate because it is necessary to support exporters of military equipment," he said.

"We are gradually taking the market away from the United States. We must support exporters because we are now selling military equipment to China, Korea, Saudi Arabia, Latin America," he said. "The dollar rate will go down, down and down" when the financial situation stabilizes, Yeltsin said.

Yeltsin reassured residents of this region that "the issue of wage payments will seriously improve from this July."

This will concern all employees of the budget sphere, he said. As an explanation of why the situation will be improved from July he said: "The International Monetary Fund has slightly let us down. The money which was to be forwarded to us from the first tranche has been transferred from the first half of the year to the second half of the year by the IMF."

Speaking of positive achievements in the sphere of macroeconomic policy Yeltsin said that Russia's foreign debts "have been postponed by seven years" through the Paris and London Clubs. "This is good, but one must go out of the situation using one's own forces," he said.

He reassured workers of several farms which he had visited that standards for Russia's territories and regions, and respectively regional donations on the basis of these standards, will be introduced in Russia from 1997. This measure will soften the difficult situation in the Tver region, he believes.

The development of industrial oil reserves discovered not far from Tver will assist in the solution of social problems, Yeltsin said.

Yeltsin devoted the greater part of his report at the conference with the regional leadership to problems of revival of the region's economy, which is in crisis, he said. To this effect he sharply raised the issue on the region's leadership and proposed "to bring order in all spheres of economic and social life bearing in mind the example of the leadership."

"A revival is already under way in Moscow, signs of revival are noticeable in St. Petersburg. It is necessary for this to be vivid throughout the whole of Russia. This will happen if we do not come down on June 16, if we go along the chosen path, changes for the better will come in a year or a year and a half. They will not come at all in another case," he said.

Yeltsin called on residents of the Tver region and all Russians to make their choice on June 16 "responsibly and reasonably."

Yeltsin plans to fly to Moscow after the conference.

Russia: Yeltsin Promises Economic Recovery Program for Tver

LD0606150496 Moscow ITAR-TASS in English 1446 GMT 6 Jun 96

[FBIS Transcribed Text] TVER, June 6 (Itar-Tass) — President Boris Yeltsin on his campaign trip to Tver, central Russia, has met the same local grievances as in other regions he had visited.

Yeltsin has laid a wreath at the monument to Afanasy Nikitin in the centre of Tver and had a fairly long talk with the public.

The grievances were low salaries, often delayed, scarce pensions and poor welfare for work and war veterans.

The bad pay medical and education sectors were a separate line of the talk.

Yeltsin said a decree had been issued recently to define health workers and teachers as civil servants, a measure Yeltsin said is bound to improve their well-being.

Yeltsin said the Tver region left him with a depressing impression. He promised that his or governmental decree would come out soon, mandating an economic recovery programme for the Tver region.

The president gave an interview to television journalists before leaving Tver.

He said the government's March debt in wages to budget-dependent sectors had been in fact cleared, but part of the officialdom thought the issue had gone. It has not, Yeltsin stressed.

The president said he signed on Wednesday a federal law which mandates the Central Bank of Russia to deduct five trillion roubles of its profit to the federal budget. This money will go to pay delayed salaries and holiday payments to teachers, doctors, military officers and other sectors hardest hit by reforms.

With the funds earmarked, the payment will be started immediately, with personal presidential control, Yeltsin said.

Presidential economics aide Aleksandr Livshits earlier had told reporters that the federal budget law envisions the Central Bank's deduction of part of its profit to the federal budget in exceptional circumstances. The moment of the circumstances has come, Luivshits said.

Russia: Yeltsin Speaks at Opening of Kazan Concert Hall

LD0906081796 Moscow ITAR-TASS in English 0722 GMT 9 Jun 96

[By Andrey Shtorkh and Nikolay Sorokin]

[FBIS Transcribed Text] KAZAN, June 9 (Itar-Tass) — "I believe that this wonderful hall will see quite a number of outstanding Russian and foreign performers," said here on Sunday President Boris Yeltsin, speaking to intellectuals and Kazan industrial managers at an opening ceremony of the Grand Concert Hall of the Kazan State Conservatory.

Following greetings said in the Russian and Tatar languages, the president congratulated Kazan residents and citizens of all Tataria with an outstanding event in their cultural life: the opening of the Grand Hall of the State Conservatory.

The head of state noted that "this temple of music and arts is graced with a big musical instrument — an organ" and that "we appropriated five million dollars" for its acquisition at the request of Tatar President Mintimer Shaymiyev, although "it was not an easy thing to do."

"However," Yeltsin continued, "we should not save on the beautiful, on culture and arts. After all, we started our reforms for all Russians to live a well-to-do life and to be spiritually rich, so that lofty art would not be the privilege of only Moscow residents."

The Russian leader told the gathering that a large group of builders and architects was awarded state decorations for erecting the Grand Concert Hall of the conservatory: orders, medals and honorary titles "Merited Builder of the Russian Federation."

Yeltsin stressed that Kazan has been and remains a major cultural and scientific centre of Russia, above all thanks to Kazan University, one of the oldest higher educational establishments in the country.

Kazan university is well known all over the world. "This is our national asset, and it will be put down, by right, into the Code of especially valuable projects of cultural heritage of Russian peoples," the chief executive stressed.

Yeltsin expressed confidence that Kazan University, other educational establishments and research centres of Tatarstan would play an important role in the successful completion of historic changes "which we started four years ago."

"They will give Russia not only great revolutionaries but also great reformers," he emphasised.

The president noted that "difficult times are not over yet." However, he underlined, "we have avoided a national disaster and got down to building quiet and peaceful life without social upheavals."

Peoples belonging to different nationalities and different religions have lived in Tatarstan in peace and calm, Yeltsin said.

Tatarstan is now celebrating the 1107th anniversary of Islam on its soil, Yeltsin said. He congratulated Tatar residents on the anniversary, adding that "the radical changes in our life have allowed us to return to the religion of our fathers and grandfathers." He cited as an example the restoration of the Kazan Kremlin where the Cathedral of Glad Message and the Kul-Sharif Mosque are now being rebuilt at the same time. "Let then remain the symbol of equality between Orthodox Christianity and Islam in Tatarstan and entire Russia," Yeltsin said.

The Russian federal authorities have earmarked some 9 billion rubles for the restoration of the Kazan Kremlin, Yeltsin said. "Nobody in the new Russia will ever be allowed to infringe upon religious convictions of citizens," he stressed.

Russia: Yeltsin Says 'Most of the Difficulties' Overcome

LD0906084396 Moscow INTERFAX in English 0743 GMT 9 Jun 96

[FBIS Transcribed Text] KAZAN, June 9 (Interfax) — All of us have to carry out a difficult mission that consists in implementing radical reforms in the country but most of the difficulties have been overcome, Russian President Boris Yeltsin, now visiting the internal Russian republic of Tatarstan, said at the opening of a concert hall in the Kazan Conservatoire on Sunday.

"We have not allowed an ethnic disaster to burst out. We began to build calm peaceful life without social shocks," he said.

Yeltsin also praised the situation in Tatarstan.

Tatarstan "was the first in Russia to assume the major burden regarding the improvement of the situation in the republic," he said. "This is the way Tatarstan understands the idea of sovereignty," he said, adding that the Tatar leadership's efforts "have proved a success."

Tatarstan "has taken as much sovereignty as it needs for prosperity in the republic and the strengthening of Russia," Yeltsin said, adding that Tatarstan understood the idea of sovereignty in the right fashion.

"It's now clear for everyone that the treaty [on sovereignty] signed by Tatar President Mintimer Shaymiyev has become a great move toward the development of the federative system and the maintenance of Russia's unity," he said. This treaty has contributed to stability both in Tatarstan and throughout Russia, Yeltsin said.

Russia: Yeltsin Addresses Concert Audience in Novosibirsk

LD1006080696 Moscow Russian Television Network in Russian 0400 GMT 10 Jun 96

[Correspondent Ventsimerova video report; from the "Vesti" newscast]

[FBIS Translated Excerpt] The president's arrival in Novosibirsk—the very heart of Siberia—on the eve of Russia's independence day is symbolically important. At Tolmachevo airport, Boris Nikolayevich [Yeltsin] was greeted by various officials and a large group of supporters—activists of the Novosibirsk branch of the all-Russian movement in support of Yeltsin in the presidential election. That is why the president arrived later than scheduled at the Spartak stadium, where the audience and artists were waiting for him to begin the Vote or Lose concert. [Video shows Yeltsin arriving at Tolmachevo airport, Novosibirsk; a concert at Spartak stadium; Yeltsin addressing the audience]

[Begin Yeltsin recording] The young people of Siberia have done much and are doing much to help the homeland at a crucial moment. I must tell you that my whole life has been devoted to young people, to you, to your freedom, so that you can smile and have such concerts. But everything we have built may collapse overnight. It may collapse on 16 June. Everything depends on you, on your choice. If we lose on 16 June, then all of Russia and Siberia, of course, will lose. To our victory, to the election on 16 June! I am calling on you all to make the right choice in the election. [end recording] [passage omitted]

Russia: Yeltsin Visits Chkalov Aviation Plant in Novosibirsk

LD1006064096 Moscow ITAR-TASS World Service in Russian 0440 GMT 10 Jun 96

[ITAR-TASS correspondents Viktor Yelmakov, Andrey Shtorkh]

[FBIS Translated Text] Novosibirsk, 10 June (Itar-Tass) — Russian President Boris Yeltsin began his work schedule in Novosibirsk Region today with a visit to the Chkalov aviation production association in Novosibirsk. Accompanied by First Deputy Prime Minister Oleg Soskovets, Yeltsin inspected the exhibition in the enterprise's assembly shop showing the civilian products produced by the aviation production association within the framework of conversion, as well as the AN-38 aircraft which is produced by the association.

Conversing with members of the workforce, Boris Yeltsin touched on the issues of wages, employment and the situation in the social sphere. The few questions put to the head of state indicated on the whole that Novosibirsk's residents understand how acute this moment in time is and are willing to support Boris Yeltsin at the elections so that democratic reforms are continued in the country. The president's attention was particularly attracted by the "Iveko" mini-lorry, which is also being produced by the Novosibirsk aviation production association.

Then Boris Yeltsin visited the flight testing station where the flight possibilities of the Su-34, Russia's most modern aircraft, which is called "the fighter of the 21st century", were demonstrated to him. The journalists covering the Russian president's trip were not permitted to attend the flight tests of the Su-34, which has already been exhibited at air shows at Le Bourget and at Zhukovskiy outside Moscow and which has been described in detail in Russian and foreign specialized literature. The works' guards gave the explanation that the aircraft "is still top secret" and it is prohibited to make video film or take photographs of it.

Russia: Yeltsin's Agenda in Novosibirsk Detailed

LD0906151596 Moscow Radio Rossii Network in Russian 1300 GMT 9 Jun 96

[FBIS Translated Text] The Russian president arrives in Novosibirsk today. Here is our correspondent Tamara Ventsimerova with details of his agenda.

[Ventsimerova] Yeltsin's visit to Novosibirsk will close the of the presidential candidates' election marathon. Immediately on arriving at (Tolmachevo) airport and on his way to the residence of the regional administration, Boris Nikolayevich intends to visit the Spartak stadium, where Russian pop stars will give a concert in support of the president tonight. Boris Nikolayevich will address the audience and the artists.

The business part of the visit starts on Monday 10 June. Yeltsin will visit the Chkalov aircraft factory in the morning and see the Su-34 fighter, the production of which, unfortunately, has not been ordered by the state. Then Boris Nikolayevich will have a ride on the subway between the Krasnyy Avenue and the Lenin Square station. Then Yeltsin intends to talk with Novosibirsk residents. An official meeting with the governor, mayor, and chairman of the regional council, and an interview with the local mass media will follow. In the afternoon Yeltsin will fly to Rostov-na-Donu.

Tamara Ventsimerova, Novosibirsk, Russia's Radio information service.

Russia: Yeltsin Discusses Tatarstan's 'Sovereignty'

LD0906134996 Moscow Russian Television Network in Russian 1000 GMT 9 Jun 96

[From the "Vesti" newscast]

[FBIS Translated Excerpt] Russian President Boris Yeltsin is today meeting with the inhabitants of Tatarstan. [passage omitted] President Yeltsin told people to take as much sovereignty as they can swallow.

[Begin Yeltsin recording] For using this phrase "take as much sovereignty as you can swallow" I was criticized for about two years. Mintimer Sharipovich [Shaymiyev] was also criticized. But I was especially criticized by our so-called various Moscow leadership, who asked how it is possible to give power to Tatarstan? That is not the point. We should give Tatarstan what it is entitled to, and now it has become clear to absolutely everyone, when we have signed treaties with more than 50 percent of the component parts of the federation, that the treaty which was signed by Tatar President Mintimer Sharipovich Shaymiyev and myself has become an important step toward the development of federalism and the preservation of unity in Russia. [end recording] [passage omitted]

Russia: Yeltsin Predicts First Round Victory

LD0906211696 Moscow NTV in Russian 1700 GMT 9 Jun 96

[Interview with Russian President Boris Yeltsin by correspondent Yevgeniy Kiselev in the Kremlin on 8 June; from the "Itogi" program — recorded]

[FBIS Translated Text] [Kiselev] Boris Nikolayevich, in the last few weeks of the election campaign most sociologists have been registering a steady rise in your ratings. Here are the results of the latest two nationwide opinion polls carried out at the request of our program, NTV's "Itogi." VTsIOM [the All-Russian Center for the Study of Public Opinion] gives the following figures just two weeks before the election day: 37 percent intend to vote for Yeltsin and 26 percent for Zyuganov, giving you an 11-percent lead. In the second round, 52 percent of the people intend to vote for you and just 36 percent for Zyuganov, a lead of 16 percent, which is more than it was a week ago.

Another service we are working with, ROMIR [Russian Public Opinion and Market Research], gives very similar figures: In the first round it is 35 percent against 23, a 12-percent lead for Yeltsin, in the second round 49 percent against 31, a lead of 18 percent.

In other words, the results look extremely favorable for you, getting better week by week. But do you yourself believe in these feelings?

[Yeltsin] It is true that from a sociological point of view, you have to take the data provided by several different institutes and look at the average figure. This is the first point. The second point is the way you yourself feel, what your intuition tells you, your own perception of how people perceive you. When you travel a lot around Russia, as I do now, how do you feel a common man, an average man, perceives you, how he answers questions, whether some of the answers are spiteful — you have to take that into account too. And from these you can deduce for yourself an average you will believe in yourself. This figure is usually different from both the first and the second one.

[Kiselev] So what is it, if this is not a secret?

[Yeltsin] Well, you know, my information is encouraging. My own intuition tells me, first of all, that there will be a first-round victory. Of course, the main thing is the will of the people, the main thing is the choice the people themselves will make on 16 June, but my intuition tells me that either I do not know my own people, or the outcome will be exactly as I have just told you.

[Kiselev] So, not only do you think a clear victory in the first round is possible, you are in fact absolutely confident, is that right?

[Yeltsin] Yes.

[Kiselev] So there will be no second round?

[Yeltsin] No. I have even forbidden my team to make preparations for the second round. They do make them all the same on the sly, but I have forbidden them to do it.

[Kiselev] Which means they are doing it in a clandestine way, doesn't it?

[Yeltsin] Yes, they are doing it in a clandestine way. But I know they do. Well, they have told me that themselves, told me they were doing it on the sly, in their free time. Officially they work, say, until midnight, and from midnight until five in the morning they are allowed to work for the second round.

[Kiselev] Just in case.

[Yeltsin] Well, this is no concern of mine.

[Kiselev] Some people are now making conjectures and hypotheses. Yeltsin is so confident of victory, they say, maybe he has saved some very strong moves for the last week, some moves no one expects?

[Yeltsin] Maybe that is true, but we are not going to discuss that.

[Kiselev] Oh, that is understood, but you are saying maybe there are some?

[Yeltsin] Maybe.

[Kiselev] I see. Tell me, Boris Nikolayevich, how much ground have you covered travelling round the country?

[Yeltsin] Oh, lots. Maybe half. It will be two-thirds in all.

[Kiselev] Are you tired.

[Yeltsin] Well, weariness does accumulate, but not so much as to prevent me from going even through two rounds — even though I am not setting myself this task.

[Kiselev] But you do feel that you have enough resources to do it?

[Yeltsin] Yes.

[Kiselev] How much can you afford to sleep these days, honestly?

[Yeltsin] Four hours.

[Kiselev] But that is awfully little!

[Yeltsin] True.

[Kiselev] Well then, what will your first steps be if you are reelected for a second term?

[Yeltsin] My first steps? Well, to continue what has been started. This is the most important thing — to continue the reform. My manifesto is an election plan of concrete actions. Actions, I stress. I have already passed a package of vital documents. This very day, just before our meeting, I already signed six very serious edicts. One, for instance, reduces railway transportation charges for the Far East, etc. So there. Well, to be brief, we have hardly had time to discuss all this work that is being done now and that the president still has to do. I will be doing the same thing as I am doing now.

[Kiselev] So there will be no revolutionary upheavals, no...

[Yeltsin, interrupting] There will be no upheavals or revolutions.

[Kiselev] Might there be any changes in the team after the elections?

[Yeltsin] There might be.

[Kiselev] There might be?

[Yeltsin] There might be. There might be certain changes in the team, especially bureaucratic, both in structure and in personnel. This will be [word indistinct] done, but where there will be changes — this is very serious — but there will be changes.

[Kiselev] As there were before...

[Yeltsin, interrupting] There will be certain changes in the program, but I have already made some to the (?joint) program and I have included...[pauses] I would not of course, directly link the political calendar and changes in the government. For example, to link Yegor Gaydar's resignation and Viktor Chernomyrdin's arrival to such events, or the departure of Burbulis and Andrey Kozyrev, Anatoliy Chubays and Boris Fedorov, and other personnel changes.

[Kiselev] These occurred, in the main, after the elections, the elections of '93 and the elections of...

[Yeltsin, interrupting] One cannot make the government and its candidatures dependent on the results of the elections. One cannot do that. If I did not work with it, if I do not work with it today, then why if on the 16th, or the 15th, I do not work with it, then on the 17th I have to cancel my work with it? No, so that is why I have told you there the changes will probably not be at the higher sphere, which is not at the moment corrupted, but somewhere among the medium level that has been gripped by corruption to some extent and they must, of course, be simply thrown out of the apparatus and the presidential and governmental bodies. And there must be no armchair generals at ministerial level.

[Kiselev] And there are some?

[Yeltsin] Well, there are some who are not quite up to it.

[Kiselev] So, there could be personnel changes at ministerial level?

[Yeltsin] There could be.

[Kiselev] Boris Nikolayevich, in the course of the election campaign you have had meetings with some other presidential candidates, who represent, shall we say, the democratic noncommunist opposition — Aleksandr Lebed, Svyatoslav Fedorov, and Grigoriy Yavlinskiy. In the time remaining, is it possible that you will have more meetings with these politicians, have some more consultations, make some attempts to draw them to your side, to win the support of their voters, maybe even to use them in the future?

[Yeltsin] Yes, I have conducted political consultations and I will continue conducting them until the end, until the election itself.

Today, for example, I wanted to have another meeting with Aleksandr Ivanovich Lebed, but unfortunately he turned out to be away somewhere in Rostov-na-Donu, down a mine, and that is why I could not talk to him. But it looks as though he is returning tomorrow and we will meet after all.

The main aim of that sort of meetings is not haggling over votes or allocating ministerial posts. I believe we should all be thinking first and foremost about Russia, and about other things. Such as the fact that a split in the democratic forces opens the way for a backlash, for new upheavals in society. Discussions should focus not on people's votes, but on reaching accord with regard to how Russia can be saved from political troubles.

[Kiselev] Boris Nikolayevich, tell me please, with just one week to go before the election, do you not fear there could be some unpleasant surprises in that week, some provocations, some attempts to wreck the election?

[Yeltsin] Well, generally speaking, judging by the behavior of the Communists at this stage, there could be some provocations. If you read an article they published in today's edition of NEZAVISIMAYA GAZETA...[pauses] The prosecutor has even indicated that he wishes to look closely at this article.

[Kiselev] You are referring to the prosecutor general, aren't you?

[Yeltsin] Yes. So provocations are possible. When your enemy, or rather your opponent, loses confidence — and that is what is quite clearly happening now before our eyes — you can expect him to destabilize the situation. One has to be prepared for this.

[Kiselev] Well, at least some signs are there. Some leaders of the left-wing bloc, of the Communist Party, have already said this week the authorities are allegedly preparing to rig election results, and have promised to lead the people into the streets and raise a wave of popular anger if this happens. Well, what if they move from threats to actions? It will, of course, be very hard for them to accept defeat in a situation when you have just over 50 percent and they just under 50. What then? What if they do try and take their supporters into the streets?

[Yeltsin] Well, rigging the election is impossible. It cannot be allowed to happen.

[Kiselev] But it is easy to accuse one of having done it.

[Yeltsin] As... Eh?

[Kiselev] It is easy to accuse...

[Yeltsin, interrupting] Oh yes, it is easy to accuse. And it is also easy to prompt people into action. But I will quite certainly not allow any disturbances to take place. Under no circumstances will I allow it. In my capacity as head of state I have to take all possible scenarios into account. I will be acting in accordance with the law and decisively. But then I do have confidence in people's common sense — I believe they will not rush into the streets as soon as they hear some sort of call, as you have said.

[Kiselev] That is what the Communists are promising. If you ask me, personally, I do not really believe it will happen.

[Yeltsin] Well, yes.

[Kiselev] But at the moment we are, all of us, thinking about what will happen after 16 June, after the presidential election. What, for instance, will happen to us? We, the journalists, have generally speaking found ourselves in a difficult position. On the one hand, your irreconcilable opponents, those supporting Zyuganov, keep accusing us of having been engaged by the authorities, of doing nothing but singing the president's praises, on the other hand...

[Yeltsin, interrupts] The president's men are saying the opposite.

[Kiselev] Yes, the president's men are saying the opposite. They are saying: How dare you speak against the president! Not a word of criticism, only praise, only praise! Every single word of criticism is a heavy blow to Boris Nikolayevich! So you see, in the end we may well end up being castigated by both sides if you win. There will be quite a few people wishing to get even with us. What can you say about that?

[Yeltsin] Well, OK, you are a professional. Would you say that people have a go at the president quite enough? Well, at any rate, not quite so much lately, but throughout these past four years people have been having a go at the president all the time — on television, and NTV, you know, and the first and second programs, in the press, everywhere. You agree?

[Kiselev] I agree.

[Yeltsin] It is tiresome when it seems the president is responsible for everything. But how can I be responsible for the fact that someone's water tap is not running somewhere? But no one has been issued any instructions to educate the press. Do you have any names to indicate that I have tried to educate the press personally?

[Kiselev] No, they came more from people lower down than us.

[Yeltsin] That is right, but I personally have never...[words indistinct] Even when I have been criticized I have never answered.

[Kiselev] That is a fact?

[Yeltsin] That is a fact.

[Kiselev] If I have understood you correctly we can hope that is how it will be in the future?

[Yeltsin] Absolutely.

[Kiselev] Boris Nikolayevich, can I put this final question to you: If you win the elections, then, according to the Constitution, this will be your final presidential term. Are you thinking about the fact that you will have to find a successor, a leader on a nationwide scale, a recognized politician about whom you may then be able to point to the citizens of Russia and say you are my electorate who have twice voted for me, so now support this person.

[Yeltsin] Well, it is a really interesting question, and it will be nice to go back to it in, say, three years' time. Not four, but three. It is, of course, difficult to say right now who the successor will be.

[Kiselev] But are you looking for one?

[Yeltsin, ignoring question] However, I am constantly asking myself that question and I am looking round. And maybe I have already picked some — not one, say, but three. And in that period, out of these three, depending on how they develop — and people do develop, and in times like these they develop quite fast, both politically and generally, in terms of everyday life situations — ...[pauses] In three years' time I will be able to offer a more definite answer as to whom I as a voter can recommend for the presidential office.

[Kiselev] Well then, allow me to put this question to you once again in about three years' time, if all goes well.

[Yeltsin] Yes, let us settle at that.

Russia: Commission Dismisses Allegations Against Yeltsin Campaign

LD0706211596 Moscow ITAR-TASS World Service in Russian 1622 GMT 7 Jun 96

[By ITAR-TASS correspondent Igor Zhukov]

[FBIS Translated Text] Moscow, 7 Jun (Itar-Tass) — The Central Electoral Commission sees no grounds whatsoever to believe that Boris Yeltsin's campaign team is breaking the rules, Commission Secretary Aleksandr Veshnyakov said today in reply to questions from members of the LDPR [Liberal Democratic Party of Russia] faction in the State Duma.

Photo albums devoted to Boris Yeltsin do not represent campaign material in the opinion of the commission's legal experts, and therefore giving them away does not amount to a breach of electoral law, Veshnyakov said.

He did, however, acknowledge that not all candidates enjoy equal conditions, but said this is not because of abuses of office.

The Central Electoral Commission has remitted 600 billion rubles to date to local electoral commissions for organization of the elections, Veshnyakov said. There have been some delays in obtaining the money from the Finance Ministry, but the commission secretary said he is sure the elections on 16 June will not be stopped because of financial problems.

Russia: Military Said To Favor Yeltsin

MK0806125796 Moscow KOMMERSANT-DAILY in Russian 7 Jun 96 p 3

[Report by Ilya Bulavinov, Vasiliy Kononov, and Svetlana Azarova: "The 'Man With the Gun' Will Merge With the Crowd of Civilians"]

[FBIS Translated Text] The word combination "the military and elections" per se presupposes a certain measure of intrigue. Many for some reason believe that nothing is easier than to falsify ballots in military units or simply to order the enlisted men to vote in a particular way. Meanwhile it is being forgotten that the authorities' discontent with the voting outcome at closed polling stations in military units all but led to Pavel Grachev's dismissal in December 1993. The generals however showed an enviable ability to learn from their mistakes and approached the organization of the presidential election far more seriously.

The so-called "power electorate" ['silovoy elektorat'] can not only impact on but also, to a very large extent, predetermine the outcome of the presidential election. The number of military servicemen and civilian personnel employed in the power structures, who are eligible to vote, approximates 4.5 million, not counting members of their families or those retired from the military. And the "power electorate" has traditionally shown the highest level of activism. Today officers and generals, depending on their sympathies and convictions, maintain either that "the military will not vote for Yeltsin no matter what" (citing the discontent of the overwhelming majority of the military people with their financial position, while only 6 percent believe that the level of their well-being has improved in the reform period) or that "the military will vote for Yeltsin no matter what" (also citing polls and saying that they fear new upheavals that will not pass without the participation of the military). Many contend that the military will give preference to the leftists and the LDPR. That is, if ballots in the military are not rigged, which, many think, is easier to do than at regular polling stations. In fact, however, it is not at all that easy. The Defense Ministry leadership — to avert charges that "the military did not vote in the way the results were presented" or that it engaged in ballot rigging — has done everything possible to minimize the number of closed polling stations in military units, which can be used to judge of the military men's sympathies. There will be only about 100 closed polling stations — all of them on the territory of the CIS countries where Russian troops are stationed. (In December there were three "military" closed polling stations — in correctional formations — but now they have been merged with the open ones.) Even so, not only military but also civilian personnel and the officers' families will be voting there. For instance, 32 polling stations have been set up in Baykonur, where approximately 40,000 voters will cast their ballots, of which a little more than 10,000 will be military servicemen. All in all, fewer than 100,000 servicemen will vote at closed polling stations. The others will vote together with civilians, while their ballots will be counted under the regular procedure and included into the aggregate tally sheet. So it will be impossible to separate the military ballots.

In the course of the ongoing campaign the Yeltsin team took a far more serious approach toward the military than in 1993 or in 1995. Before both parliamentary elections it was supposed that the military should vote for the incumbent authorities simply because it must. At present, work with the military is proceeding at all levels: In April, presidential aides Georgiy Satarov and Aleksandr Livshits, and chief of staff Nikolay Yegorov held a series of meetings with officers at the main commands of the armed services and the Defense Ministry central office. Without stooping to banal demands that votes should be cast for Yeltsin, they patiently explained the president's plans to a far-from-the-most-friendly audience, which was duly appreciated. Agitation in the armed forces, which is banned by the law, was replaced with propaganda by political workers and frequent visits by Moscow chiefs to explain the president's activity to finance and provide for the military. The former "Lenin propaganda rooms" were reorganized as "voter education rooms," where servicemen can study election laws and ask "election" questions by writing them down in "The Questions and Answers Book" to be subsequently addressed by their commanders. (Thus the notebook in one military unit, which was preparing for a visit by ranking Moscow officials, was filled will questions like: "Why is the military being kept on a starvation diet?" and "Who has the right to elect deputies to the State Duma of the Russian Federation?") Furthermore, "social and state education" classes are held every week, for example, on the following subject: "The Election of the Russian Federation President as a Major Stage in the Evolution of Democracy in Russia."

Even so, the provision of the law "On Defense," which bans political agitation in the military, according to our sources, is being observed. No violations were noticed in any of the cities where your KOMMERSANT-DAILY correspondents monitored the situation. In the Volga Military District, there were no meetings with [presidential] candidates, but commanders allowed their subordinates to sign in support of a particular candidate outside of their military units while cadets and conscripts were granted "leaves of absence," as necessary. None of the candidates took an interest in the Black Sea Fleet servicemen: There have been no attempts to raise signatures or meet with the military people. In the Baltic Fleet leaflets and newspapers are confiscated from conscripts, while whatever literature is discovered at checkpoints is to be handed over to commanders. Yet it is still possible to conduct agitation: for instance, by renting an officers club and inviting servicemen to a concert and holding an [election] meeting. The Moscow Military District Headquarters assured your correspondent that "there have been and will be no meetings" with any of the candidates or their representatives in the officers clubs.

Nonetheless sometimes the military itself gives reason for charges of violations of laws. In early April, General Staff chief Mikhail Kolesnikov sent a memo to Grachev, proposing a list of measures to prepare the troops for the upcoming election. The list approved by Grachev envisioned, in particular, the elaboration of "plans and schedules for contacts with representatives and action groups in support of the Russian Federation president at the local level." The chief of the General Staff noted that "some leaders... are trying to take a neutral position and do not engage in any organizational or explanatory work in the troops." PRAVDA promptly reacted to the document. The memo, however, did not become "guidance for action": It did not receive the status of directive and was shelved. So the noise raised by the Communists appeared premature. After another directive by the chief of the General Staff, which in particular called for "invigorating the work to explain to the personnel the need for continuing the course of reform and preserving stability," a commission from the General Prosecutor's Office paid a visit to the Defense Ministry but found no violations of the law. On the other hand, General Vladimir Kozhemyakin, chief of the Defense Ministry Directorate for Educational Work, told your KOMMERSANT-DAILY correspondent that he has evidence showing that in a number of regions commanders are coming under tough pressure on the part of local administration chiefs, who force them to organize meetings with Gennadiy Zyuganov. If they refuse, threats are made to cut off electricity supply for the incurred debts, not to provide the officers with housing, and so forth.

It is impossible to predict how the army will vote. There are no corresponding poll results on that score. One General Staff officer said that no polls have been held in the military recently, advising us to discount occasional reports in the press about the military's political sympathies. From their conversations with officers, generals conclude that at the end of the day the majority tends to support Yeltsin. True, there are no doubts that they will so report "to the top" anyway — if he wins. Otherwise, the reports will also be quite different.

[Article contains the following boxed text]

How Will the Military Vote?

Col. Gen. Petr Deynekin, Air Force commander in chief: "On 16 June the Air Force will vote for Boris Yeltsin." Maj. Gen. Vladimir Kozhemyakin, chief of the Defense Ministry Directorate for Educational Work: "The percentage of those voting for Yeltsin in the military will be higher than nationwide. Yeltsin will be supported by those who are serving in Chechnya (they know that this ruling authority will not challenge their performance there) and by the troops stationed beyond the Urals. The percentage in the Far East will be lower." Captain 1st Rank Vasiliy Zyubanov, representative of the Baltic Fleet in the Kaliningrad Oblast Electoral Commission: "In parliamentary elections, older-generation naval officers voted for Yabloko and the CPRF [Communist Party of the Russian Federation]; younger officers voted for Yabloko, while sailors, especially from central and southern regions, voted for the LDPR. Half the personnel will apparently cast their ballots for Yeltsin." Maj.

Gen. Konstantin Suslov, chief of the election organizing group in the Volga Military District: "The answer [to this question] can be interpreted as electioneering. Yet I am sure that Russia needs a president capable of ensuring the continuity of the course of reform." Rear Admiral Aleksandr Penkin, deputy commander of the Black Sea Fleet: "It is very difficult to predict the election results in the Black Sea Fleet. They will be voting both for Zhirinovskiy and for Zyuganov. No votes for Gorbachev." Col. Viktor Buslovskiy, deputy commander of the 11th Separate Army: "The older generation will prefer Zyuganov; the middle-aged will support Yeltsin, and young people will vote for Yavlinskiy. Given Yeltsin's high activism, it can be assumed that he will win."

Russia: Chernomyrdin Urges Voters To 'Bury' Communism

LD0806182396 Moscow NTV in Russian
1500 GMT 8 Jun 96

[From the "Segodnya" newscast]

[FBIS Translated Text] Prime Minister Viktor Chernomyrdin has called on the people of Russia to bury the idea of communism once and for all. Today, a week before the presidential elections, an extended meeting of the executive committee of the Russia Is Our Home movement was held in Moscow. The activists of the movement are planning in the days remaining before the elections to step up propaganda work among voters.

Chernomyrdin believes that it is necessary to ensure Yeltsin's victory in the very first round. The prime minister accused the opponents of the incumbent president of sabotaging payment of salaries and inciting workers to protest actions. As an example he mentioned the latest incident when, in line with a decision by the parliament and the president, 5 trillion rubles were allocated from the Central Bank's funds. However, Chernomyrdin said, this money never reached those it was intended for.

Viktor Chernomyrdin's speech today was the most emotional and the toughest he has ever made publicly. For the first time he slammed openly the Communist Party, of which he himself was a member in the past:

[Begin Chernomyrdin recording] As to where the communists are leading us, we have already been there. We have been there. It is perhaps even more painful for me because I know better than many of those who lead the Communist Party now — I myself am a former member of the CPSU Central Committee — I've been through all this, I've seen everything. And now I am fully aware of what I am doing, nobody is forcing me to do it. It would have been impossible to force me to do it anyway, it is impossible to force me to do anything. I am doing it with full awareness like many other thousands and millions in this country.

To turn the country back now ... [pauses] I don't want to embellish it with metaphors. Whether there is a lame man at the head or someone else, it does not matter. A lame man is actually not too bad — he could be treated for this. But a sick man cannot be changed if, God forbid, he is at the helm of state. We have no right to allow this.

Ideology is to blame. The communist ideology could not lead anywhere. Nowhere in the world did it prove that it was leading where it was was supposed to. Who could show now, who could say now: go and see for yourselves, go and learn. Why are there two Germanies, two peoples and two destinies? Two Vietnams, two peoples and two destinies? Two Koreas, two peoples and two destinies? We are now enjoying the results of the system which was imposed on Russia. It was born in those corridors haunted by specters which eventually took up residence here. Let them haunt other places now. We have had enough of spectres. We have had enough. [end recording]

Replying to journalists' questions, the prime minister confirmed that Russia Is Our Home had had talks with representatives of non-communist forces about setting up an election coalition. But these talks have not produced any results yet. Meanwhile Chernomyrdin made it very clear that he would like to transform the Russia Is Our Home movement into a political party:

[Begin Chernomyrdin recording] We need a party and there will be a party. As for time, we will decide when. [end recording]

Russia Is Our Home has scheduled the dress rehearsal for 12 June. On that day supporters of the incumbent president intend to bring between 100,000 and 150,000 people onto the streets under the slogan "Yeltsin is our president."

Russia: Zyuganov Says 'We Do Not Need an Iron Curtain'

LD0806212996 Moscow NTV in Russian
1500 GMT 8 Jun 96

[Video report by unidentified correspondent, including recorded comments by Russian presidential candidates Gennadiy Zyuganov and Aman-Geldy Tuleyev, and Viktor Anpilov, leader of the Working Russia movement; from the "Segodnya" newscast]

[FBIS Translated Text] [Correspondent] Evidently to pique those who organized the mass events in support of Boris Yeltsin, the members of the national-patriotic bloc assembled their main forces in the Luzhniki Palace of Sport at an all-Russia congress today.

Those who organized that event intended that it should take place without any sensational preelection decisions, and to become a major political and artistic campaigning action showing the unity of all of Gennadiy Zyuganov's supporters.

The presentation began in the streets in front of the entrance to the Palace of Sport where representatives of various left-wing parties and movements displayed their slogans, handed out printed products with the portraits and thoughts of the chairman of the Communist Party of the Russian Federation, and chanted the phrase We Will Elect Zyuganov! to the refrain of the song by [popular Soviet cartoon character] crocodile Gena's about the blue railway wagon. [video shows people singing, playing according, actuality of accordion and voices singing Glory to the Russian land!]

Things were more serious in the hall. The main allies of Gennadiy Zyuganov in the struggle for the Kremlin mounted the stage to the sound of a wind orchestra and the beat of young drummers. In turn they told the audience about the advantages of the national-patriotic bloc over the party of power and about the leadership merits of the head of Russian communists.

[Anpilov] Gennadiy Andreyevich! Thank you! The great souls of Russia are with us! Dmitriy Donskoy is with us! St. Sergius of Radonezh is with us! Stenka Razin is with us! Aleksandr Pushkin! Dostoeyvskiy! The great names are with us! Lenin is with us! Stalin is with us! Russia is with us! Together we will win!

[Correspondent] Aman Tuleyev, another candidate for the main seat in the Kremlin, who was also present at the congress today spoke concretely about his political ambitions. Drawing the attention of the auditorium to the baiting that the national-patriotic forces are being subjected to of late, Tuleyev, to the delight of the hall, said that it will be immoral to put forward two presidential candidates from one bloc in such conditions.

[Tuleyev] Taking that into account, I state with responsibility at the congress today that, as of 12 June, I am withdrawing my candidacy for the post of president of the Russian Federation in favor of the single leader of the national-patriotic forces, Zyuganov Gennadiy Andreyevich! [cheers, applause]

[Correspondent] Gennadiy Zyuganov himself, having said that he believed in the victory of the left-wing forces and doubted the possibilities of the team of Boris Yeltsin, repeated the main tenets of his program and assured those taking part in the congress that his own plans were constructive.

[Zyuganov] We do not need an Iron Curtain, the model invented by Winston Churchill in 1946! We will base ourselves on state-of-the art culture, science, and technology! We will base ourselves on the experience of a collectivist, extensive completion of building our life, on Russian-Soviet traditions, and the best world experience!

[Correspondent] Zyuganov said in conclusion that he was ready to sign with representatives of power and all presidential candidates a treaty on the elections and the absolute observance of their results.

The event ended with a concert of masters of art. [video shows Anpilov, Tuleyev, Zyuganov addressing crowd]

Russia: Zyuganov's Achievements, Failures Assessed

964F2357A Moscow NEZAVISIMAYA GAZETA in Russian 25 May 96 pp 1-2

[Article by Andrey Vladimirovich Fedorov, director of the Political Research Foundation: "Gennadiy Zyuganov Is Not Afraid of 16 June: But the Field of His Campaign Maneuver Is Extremely Limited"]

[FBIS Translated Text]

What Has Zyuganov Achieved?

It has to be said for the sake of objectivity that he has achieved a great deal since the start of 1996.

First, Zyuganov has become conclusively established in the role of unequivocal leader of the left and popular-patriotic forces of Russia, having simultaneously thereby strengthened considerably the positions of the CPRF in society. He has in practice without any particular effort accomplished the main objective of the first stage of the campaign—reduced to a minimum the number of candidates for president of the Russian Federation on the left political flank. He is de facto the sole candidate because Aman Tuleyev is performing an exclusively "insurance" function and is by his trips around the country merely expanding the preelection geography of Zyuganov's campaign.

Even the appearance on the lists of candidates of Yuriy Vlasov has not troubled but rather gratified Gennadiy Andreyevich, since Vlasov could take a certain number of votes from Aleksandr Lebed and thereby play into Zyuganov's hand.

In my view, the current situation permits Zyuganov to feel confident of his political future even if he is defeated at the elections. Although, of course, it cannot be ruled out that, should he be defeated, the blame would largely be attributed to him personally, and some of his party leadership colleagues, what is more, would be speaking plainly about the fact that "undue flexibility" was to blame for everything.

Second, although with certain difficulties, a highly representative bloc has been formed, behind which, despite all the reservations, are truly millions of constituents, constituents who are, what is more, active and prepared to do much for the victory of their leader. The precise number of signatories and their representativeness could be disputed long and hard, but this fact is in itself of great political and psychological significance, particularly against the background of the months-long and ultimately unsuccessful attempts of the representatives of the so-called third force to find a common language.

Third, Zyuganov has managed comparatively easily to overcome in the eyes of a substantial part of the electorate the negative consequences of a number of Communist Party initiatives, primarily the State Duma's well-known decision on denunciation of the Belovezhskaya agreements.

On the whole, his campaign has thus far been conducted quite competently, his adversaries having been afforded no particular opportunities for cogent criticism. It should be added to this that the geography of his campaign trips has been put together very efficiently also, making it possible both to strengthen his positions in the regions which have traditionally supported the Communists and also to gain new supporters where people take a guarded view of him.

Fourth, Zyuganov has very soundly marshaled the correlation of foreign and domestic factors. He has avoided the temptation to embark on numerous overseas tours (there has been an abundance of invitations, reputable, what is more), having managed simultaneously to properly "register himself" to a sufficient extent in the eyes of foreign politicians thanks to his presence at the meeting with Bill Clinton, his interview with Aleksander Kwasniewski, and his brief visit to Germany, where he once again presented himself in a "social democratic" image.

The leader of the CPRF did not in practice afford anyone within the party or among its closest allies the slightest opportunity here to accuse him of playing up to the West in the course of the election campaign.

Fifth, Zyuganov performed a serious role (although not very many people saw it) in ensuring that no agreement was achieved among the politicians who are defined as the "third force."

Sixth, Zyuganov has been able to avoid an intensification of the struggle within the party and has skillfully walked away from making decisions himself on a whole number of difficult issues (specifically, the party membership of the president), shifting responsibility onto the Central Committee Presidium.

Seventh, a relatively stable and efficient system of financing of the election campaign has been secured, which is enabling Gennadiy Zyuganov to tackle many questions without undue difficulty.

It is of considerable importance to mention also the fact that the communist leader responded quite promptly to the "Appeal of the 13" and agreed to a personal meeting with the bankers. And he appeared there, according to the participants, very confident, what is more, and did not harp on the subject of nationalization or confiscation.

As at the initial stage also, an important component of Zyuganov's campaign remains his playing on certain mistakes in the actions of Yeltsin and his immediate entourage.

Eighth, the idea of "Zyuganov's call" to the elections, which will ensure the presence of observers from the popular-patriotic bloc (there should be more than 100,000 of them, on the whole) at practically each polling station, has been realized. This factor will be very important, if not decisive even, at the coming elections.

And Where Has Zyuganov Failed?

First, and this, in my view, is the most serious oversight, he has not managed to keep in full to the intended schedule of presentation to Russian society of the key elements of this election campaign: the action program and the composition of the possible government.

Second, Gennadiy Andreyevich has simply not managed to show in full and to prove to society that he really is a candidate of broad forces and is capable of adopting decisions free of party affiliation. A sense of the duality of many of his actions and statements still persists, although Zyuganov has in recent weeks begun to express himself more definitely, putting the emphasis precisely on the fact that he represents a broad coalition and that his action program as the future president would differ considerably from the program principles of the CPRF.

Very many of Zyuganov's potential supporters are, as polls show, intimidated by the fact that, having won the elections, he would remain a hostage of the CPRF, of the radical part of its leadership, what is more.

It cannot be ruled out that coverage of the results of the latest, "preelection," plenum of the Central Committee will strengthen them in this opinion. After all, a substantial number of those who spoke at it were unanimous that a kind of "hardening" of the line could have a great effect and that the final stage of the election campaign should be oriented to a considerable extent not toward a broadening of support but toward the maximum mobilization of their supporters, who should see no "fluctuations" in pursuit of the policy that has been mapped out.

It should be noted for the sake of objectivity that this approach did not meet with Gennadiy Zyuganov's visible support and that in the lobbies of the plenum and also after it he consistently upheld the thought that victory without "fellow travelers" is simply impossible and that the breadth of the bloc requires a more flexible approach. The situation is, indeed, complex inasmuch as the "spirit of Gorbachev" (in the sense that the opinion, largely bolstered by the facts, that, having become president of the USSR, Gorbachev thereupon sold out the party is steadily pervasive in the CPRF) has been, as a participant in these discussions said, an invisible presence during the consideration of such matters in recent months.

The CPRF is manifestly reluctant to follow a similar pattern of the development of events, although a compromise could be found here in the form of wording to the effect that "the president from the moment of his election shall SUSPEND his party membership, having simultaneously an opportunity to take part in party activities." This is only theory as yet, though.

Third, an effective format of counteraction of the frontal assault on Zyuganov personally and the CPRF as a party in the news media has not been found.

Fourth, the developing impression is that Zyuganov was unprepared for a cogent analysis of the barrage of Yeltsin's populist and largely infeasible edicts. The fact that some of the edicts will have discredited themselves by the first round of the elections should not be ruled out, for that matter.

What Is Zyuganov Counting On?

First and foremost, Gennadiy Andreyevich is today practically the sole presidential candidate who is not in the power of the magic of the number 16. He does not need to think about whether he will get into the second round or not. The only thing that really worries him is what the percentage, compared with Yeltsin, of the votes cast for him will be. The most important thing for Zyuganov, therefore, is to focus his main attention on the one hand on the time between the first and second rounds, when, from my viewpoint, "surprise" versions of the development of events are highly possible, and, on the other, on the second round proper, with all the ensuing consequences.

So on what specifically may Zyuganov count and on what is he already counting?

First, on the fact that as a result of the participation in the elections of all the candidates, primarily Yavlinskiy and Zhirinovskiy, the percentage vote cast for Yeltsin in the first round will ultimately be less than the number of votes cast for the leader of the popular-patriotic bloc. It should be objectively acknowledged that Yavlinskiy, Lebed, Fedorov, and Zhirinovskiy, not to mention the "third echelon" candidates, will take far more votes from Yeltsin than from Zyuganov.

Ideally, it is essential for Zyuganov that his superiority in the results of the first round constitute 10 and more percent (from my viewpoint, this is realistic, despite all the published poll data). Why?

With such a result a very powerful psychological shock to the supporters of the incumbent president is inevitable. A demoralized democratic electorate is a more than unpredictable electorate and, what is most important, practically incapable of serious mobilization work in a compressed timeframe.

In addition, Zyuganov's clear superiority would inevitably have a most serious impact on the large body of officialdom, which would immediately begin en masse to think seriously about how to manage henceforward and, most important, on whose side. It is fundamentally important for Zyuganov that the results of the first round correspondingly influence the power structures. It should be noted, incidentally, that Zyuganov and a number of persons from among his associates have in the past month been working very effectively with many influential figures of these departments.

Second, Zyuganov may with considerable reason count on a substantial number of the votes of constituents who in the first round supported, specifically, Lebed and Fedorov moving to him in the second round. The possibilities of "control" of their electorate of these two politicians are, as distinct from Yavlinskiy and Zhirinovskiy, very slight.

It may be expected that, in particular, Lebed's decision to support Yeltsin in the second round would, in fact, signify the opposite response of a sizable part of his electorate. In addition, the possibility of a substantial part of Yavlinskiy's electorate "going nowhere" would also ultimately work for Zyuganov.

Third, Zyuganov is counting on the second round (if it is held, of course) being conducted on 14 July 1996. It should be said generally that a political intrigue surrounding the possible date of the second round has already begun, albeit "under the rug." Yeltsin's team is even now beginning to put pressure on the Central

Election Commission to have the second round take place on 7 July (this is not all that simple technically, but it is possible), the Zyuganovites, on the other hand, have the 14th in mind and are working in this direction.

Mid-July is more convenient and advantageous to Zyuganov from the viewpoint of the fact that his electorate will be going nowhere (the degree of its mobility in the summer months is minimal), but this cannot be said about Yeltsin's supporters: The student electorate (where Yeltsin's support is actually growing) dissolves practically completely, many representatives of the intelligentsia, as, equally, businessmen, go on vacation, and so forth.

The date situation could, naturally, change if the Central Election Commission begins now to print the ballot papers necessary for the second round of voting and to deliver them around the country.

Fourth, not so much Zyuganov himself as a number of people from his immediate entourage are counting on the one hand on Yeltsin physically failing to sustain the pace of the campaign race that has been set him at this time and, on the other, in the event of Zyuganov's serious superiority in the first round, on Yeltsin himself also suffering a serious psychological breakdown and on him "disappearing" from the political arena, for several days, at least. If this happens, the result of the struggle in the second round may to a large extent be predicted in advance. For this reason the Yeltsin team is faced with a very complex task—preventing in Boris Nikolayevich both physiological strain and psychological stress.

Fifth, Boris Yeltsin's possible trip to Chechnya could do Zyuganov a great service. In my view, the chances of any serious progress being made in a resolution of the Chechen conflict are minimal (although, as we have learned from certain reliable sources, there are already two or three field commanders who are prepared to attend a meeting with Yeltsin and Zavgayev under certain conditions).

If the visit does take place, all the same, but is confined merely to the territory of Severnyy Airport, the campaign impact could be extremely negative for the incumbent president.

On the whole, it is already absolutely obvious that the Chechen conflict will not be settled before 16 June and that the continuing combat operations will cost Yeltsin hundreds of thousands, if not millions, of votes.

Thus the most important thing for Zyuganov today is to publicly and constantly demonstrate his composure and confidence of victory, trying here to express himself quite severely in respect to the "exaggerations" of a number of supporters of the Viktor Anpilov type. Only in this way can he influence the wavering part of the electorate, which will in July, possibly, have to make a choice many times more important than that of 16 June. As distinct from Yeltsin, Zyuganov has in reserve practically not one in any way really strong move that could change the mood of the majority of constituents.

Gennadiy Andreyevich has managed to demonstrate psychological stability thus far. But there are no guarantees that Zyuganov will be able to maintain it under the ever increasing pressure both of the CPRF itself and the popular-patriotic bloc and on the part of the other nine (excluding Tuleyev, naturally) candidates and the news media.

Russia: CPRF Campaign Memo Calls For Softening Party Line

MK0806103396 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 7 Jun 96 p 1

[Report by Vasiliy Nikanorov: "A Telegram From a Hippopotamus: Starting Today the Communists Switch to Political Correctness"]

[FBIS Translated Text] Zyuganov's electoral headquarters sent a strongly worded telegram to its local branches. The piece of paper will create a revolution in the minds of Red activists, because, on one hand, it requires them to raise the effectiveness of their campaign, while on the other, to give up the main slogans of Communist propaganda (at least until the victory of Communism).

The Communists will certainly disclaim authorship, but they should think again; this is a genuine work of art. Among the main drawbacks that the leadership at headquarters mentions as the root of all the miscarriages is "the low educational level" of its activists, "a lack of control and a desire to settle personal scores." In the eyes of Comrade Kuptsov's subordinates, the activists should immediately set aside "the use of rude unpublishable words, expressions, drawings, and captions" in their visual agitation campaign. The message hints only in passing where new visual propaganda or different activists might be obtained (and, most important, how the latter could be attracted). "At this stage of the struggle we should not call on the masses for a redivision of property or for forcible action with regard to the bourgeoisie and its property." Their hour has yet to come.

"....Only pictures of Lenin and Zyuganov may be used for campaign purposes. Portraits of Stalin and Marx should not be displayed as symbols of parties and coalitions, because Stalin is associated with mass reprisals and Marx with unpopular internationalism and Zionism." Apparently, this is the way the CPRF [Communist Party of the Russian Federation] will contrive to lure those crowds of educated anti-Semites and gullible capitalists ready to sponsor their own gravediggers. On the whole, they "should avoid playing up the nationalities question; anti-Semitic and anti-Caucasian [as is Caucasus] slogans and utterances should be categorically ruled out."

As for their own comrades? It is suggested that they should be led down the garden path this way: "Both forthright attacks on the church and the direct association of the party with the Orthodox religious tradition should be avoided, so as not to alienate either believers or old Communists." Let's straighten it all out after the election: the believers get to fell trees; the old Bolsheviks get to till vegetable gardens. "We should carefully distance ourselves from the well-known views of V. Anpilov, emphasizing that it is not the agreed-upon stance of the coalition as a whole." In general, this is the Central Committee's main guideline: After "victory" or " mass civil disobedience" everything will get blamed on the incorrect Anpilovites, while the Zyuganovites will remain untainted — just as it was with Soso Dzhugashvili [Stalin] some time ago. Do you remember? "Stalin did not know!" and so forth.

In short, the Communist Central Committee is true to itself: It lures the wolves with its left hand, and the sheep with the right; it holds your foot with the left and whips with the right. Run!

Russia: CPRF Issues Statement Warning of 'Provocations'

LD0706235996 Moscow Communist Party of the Russian Federation Press Release in Russian 7 Jun 96

["Statement by the Presidium of the Central Committee of the Communist Party of the Russian Federation [CPRF] and the CPRF faction in the State Duma of the Federal Assembly of the Russian Federation," issued on State Duma notepaper headed "Federal Assembly — Parliament of the Russian Federation, State Duma, Faction of the Communist Party of the Russian Federation Press Service"]

[FBIS Translated Excerpt] Alarming signs have appeared in the capital of Russia 10 days before the elections of the Russian Federation and of the mayor of the city of Moscow bearing witness to the fact that political provocations aimed at whipping up tension in society are being prepared. We have information that, starting from 7 June, groups of specially trained persons intend to provoke disturbances 'between supporters and opponents of the ruling regime' in places where people gather en masse and to resort to other acts of force.

These plans began to be implemented today. An attack was carried out on the life of candidate for the post of deputy mayor of the city V. Shantsev. [passage omitted]

In his political convictions he has remained a communist and he stated this publicly frequently. It cannot be ruled out that this was the main reason for the malicious act carried out against him.

We provided the mass media and the public in good time with information which we had on the provocative actions of several organizations and handed over concrete proof in the form of falsifications being prepared by them openly whipping up national, social and religious strife in Russian society. However, not a single 'democratic' publication considered it necessary to publish the report by the press service of the faction or even to refer to it in television or radio reports or in newspaper publications.

The Presidium of the Central Committee of the CPRF and the Communist Party faction in the State Duma warns Muscovites and the Russian public again with full responsibility of the danger from the activities of a number of extremist organizations aimed at thwarting the elections. We call upon the electorate to display restraint and to be watchful of persons pursuing openly provocatory aims. The Moscow City Committee of the CPRF has been instructed to get in touch immediately with the law enforcement bodies of the city of Moscow and to inform them of the information which we have on this.

[signed] Presidium of the Central Committee of the CPRF, the CPRF Faction in the State Duma.

Russia: Zyuganov Skeptical of Yeltsin's High Ratings

LD1006122296 Moscow INTERFAX in English 1134 GMT 10 Jun 96

[FBIS Transcribed Text] MOSCOW, June 10 (Interfax) — Russian Communist Party leader and presidential candidate Gennadiy Zyuganov is convinced that the sharply growing ratings of Russian President Boris Yeltsin, his main rival in the June 16 elections, are inflated.

"There are no miracles in the world," Zyuganov said of Yeltsin's rapid rise in the polls. "A rating of 6% has never climbed to 50 percent. Candidate Yeltsin is simply being fooled," Zyuganov told reporters in Moscow on Monday, commenting on Yeltsin's statement that he would win in the first round of the elections, which the current president said in a TV interview broadcast on Sunday.

Asked whether the victory of any candidate is possible already in the first round, Zyuganov said: "Let's wait and see. It won't be long now."

Speaking about a possible alliance with LDPR [Liberal Democratic Party of Russia] candidate Vladimir Zhirinovskiy, Zyuganov said: "We shall see the political weight of each candidate after the first round and then decide on our tactics and strategy." According to Zyuganov, "it's not an alliance that matters, it's the approach of the Communist Party — everyone who holds Russia dear should conduct a dialogue." He said that "the Communist Party is open for a dialogue with all those who, for example, proposed it to Yeltsin, but the president has failed to appear in the Duma for over three years."

Russia: Opinion Poll Shows Yeltsin Leading Zyuganov

LD0906204296 Moscow Russian Television Network in Russian 1800 GMT 9 Jun 96

[FBIS Translated Excerpt] The Public Opinion Foundation has carried out a representative poll among Russia's adult urban and rural population.

Question: Which candidate, if he wins, will ensure greater possibilities for your children and grandchildren to achieve success in life?

Yeltsin — 39.2 percent
Zyuganov — 21.2 percent
Any of the two — 5.3 percent
Don't know — 34.3 percent

Question: In which of the two options can one hope for free elections of the head of state in the year 2000?

If Yeltsin wins — 38.7 percent
If Zyuganov wins — 15.6 percent
Elections will be held anyway — 10.7 percent
Don't know — 35 percent

Question: Which of the two options will ensure peace and stability in the country?

If Yeltsin wins — 37.9 percent
If Zyuganov wins — 20.5 percent
Any of the two — 5.9 percent
Don't know — 35.7 percent

[passage omitted] Having summed up multiple data, the research group "Tsirkon" came to the conclusion that both main candidates, Yeltsin and Zyuganov, are running neck and neck. About 30-32 percent are expected to vote for Yeltsin and 29-31 percent for Zyuganov. According to the Public Opinion Foundation, 70-75 percent of the electorate are going to vote. Of them 30-34 percent will vote for Yeltsin and 26-30 percent for Zyuganov. Finally, the center INDEM says that with a probability of 98 out of 100 the gap between Yeltsin and Zyuganov will be 2 percent. And Yeltsin will be the first and will get about 35 percent of the votes.

As we can see, all the three forecasts are close and show that the Yeltsin-Zyuganov contest will be more or less equal and very dramatic.

Russia: Poll Shows Yeltsin Slightly Increasing Lead Over Zyuganov

LD0906183296 Moscow NTV in Russian 1700 GMT 9 Jun 96

[FBIS Summary] Moscow NTV on its "Itogi" program carries a report by host Yevgeniy Kiselev on the results of the latest opinion polls on the forthcoming presidential elections on 16 June. The opinion poll conducted by the All-Russian Public Opinion Center (VTsIOM) between 31 May and 5 June among the so-called "active voters" — according to VTsIOM, they amount to 76 percent of voters — showed the following results (margin of error is 3.8 percent):

Yeltsin	37 percent
Zyuganov	26 percent
Yavlinskiy	7 percent
Lebed	7 percent
Zhirinovskiy	6 percent
Fedorov	3 percent
Gorbachev, Tuleyev	1 percent
Bryntsalov, Vlasov, Shakkum	0 percent

The all-Russian opinion poll conducted on 2 and 3 June by an independent institute, ROMIR [Russian Public Opinion and Market Research], a member of GALLUP International, showed the following results (margin of error 4 percent):

A total of 87 percent of voters will take part in the elections, 17 percent of voters have not yet made up their minds.

Yeltsin	35 percent
Zyuganov	23 percent
Yavlinskiy	7 percent
Lebed	7 percent
Zhirinovskiy	4 percent
Fedorov	2 percent
Tuleyev	1 percent
Bryntsalov, Gorbachev, Vlasov, Shakkum	0 percent

Russia: Far East Poll Shows Zyuganov in Lead Followed by Zhirinovskiy

LD1006082896 Moscow INTERFAX in English 0739 GMT 10 Jun 96

[FBIS Transcribed Text] MAGADAN, June 10 (Interfax-Eurasia) — Communist leader Gennadiy Zyuganov leads all presidential candidates in the Far East Magadan region of Russia with 20.8 percent support in a recent poll by an independent regional agency "INFORM-MNENIYE."

Ultra-nationalist Vladimir Zhirinovskiy follows with 19.6 percent of the voters, with incumbent Boris Yeltsin at a tepid 14.7 percent.

Nonetheless, 28.1 percent of those polled expect that Yeltsin will win another term, while 26.4 percent think Zyuganov will unseat him, and only 8.1 percent are sure of a Zhirinovskiy victory.

Russia: Electoral Commission Notes Rules for Candidates' Withdrawal

LD0706214296 Moscow ITAR-TASS World Service in Russian 1545 GMT 7 Jun 96

[By ITAR-TASS correspondent Igor Belskiy]

[FBIS Translated Text] Moscow, 7 Jun (Itar-Tass) — There must be very serious reasons for candidates to the highest state post to withdraw from the elections. Party decisions or various world problems will not be regarded as valid causes by the Central Electoral Commission if a candidate withdraws from the election campaign before elections. In that case part of the funds spent by the state in organizing and conducting the elections will be recovered from the candidates either on a voluntary basis or through the courts. The Central Electoral Commission of the Russian Federation explained the procedure for candidates to withdraw from the elections. Nikolay Ryabov, chairman of the Central Electoral Commission, said that the Commission will regard as a valid reason a misfortune in the candidate's family, for instance.

The resolution of the Central Electoral Commission says that candidates have the right to withdraw from the elections till 1500 Moscow time on 15 June, having presented their application by that time to the Central Electoral Commission.

CIS: ITAR-TASS Carries Press Review for 8 Jun

LD0806062096 Moscow ITAR-TASS in English 0512 GMT 8 Jun 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 8 (ITAR-TASS) — ROSSIYSKIYE VESTI continues to publish articles dealing with the forthcoming presidential elections. Today it carries an article by its observer Vladimir Guliyev, entitled "Against Yeltsin, for Yavlinskiy — Means for Zyuganov". He comments on an appeal by a group of prominent public figures (Yuriy Afanasiyev, Yelena Bonner and Leonid Batkin) to vote for Grigoriy Yavlinskiy. In his opinion, "the electors are being persuaded to vote for the candidate who is obviously unable to stand competition", and his support at the elections will only lead to the victory of communist leader Zyuganov.

ROSSIYSKAYA GAZETA frontpages an appeal of the Federation Council of the Russian Federal Assembly to electors and presidential hopefuls. "We urge all participants in the electoral campaign to stick to the letter and spirit of the Constitution of the Russian Federation and the federal laws," it says. "The will of the people should be accepted unconditionally by all the parties involved in the competition, irrespective of who will win the election." The newspaper publishes letters, which could have never been published in the Soviet press. They were sent to the CPSU Central Committee ten years ago and were kept in conditions of utmost secrecy.

Yaroslav Golovanov's article "Tragedy In Outer Space", devoted to the 25th anniversary of the start of the Sojuz-11 space crew, is published by Dom I Otechestvo, which is an appendix to ROSSIYSKAYA GAZETA. The decision to send on a space mission Volkov, Dobrovolskiy and Patsayev, who were a standby crew, was taken several days before the start. They were happy about what they regarded as a windfall. They spent in space 23 days, 18 hours and 22 minutes, which was a record-long stay for that time, and died when returning to the Earth. The tragedy was the result of a failure of the breathing valve: it opened not close to the Earth's surface, but much higher, practically in vacuum.

Many presidential hopefuls are already dissatisfied with the results of the elections, which have not yet taken place. The closer we are to the election day — the more we hear about the allegedly inevitable fraud and deception. In the opinion of Valeriy Vyzhutovich, the authour of an article on that subject published by IZVESTIYA, the candidates reveal in this way their defeatist feelings. He believes, at the same time, that neither the Central Electoral Commission, nor the law "On the election of a president of the Russian Federation" give guarantees of honest game. The law lacks any criteria of a clear difference between valid and invalid results, thus giving an opportunity to interpret the results of the voting according to one's political inclinations. His article is entitled "Everything Can Be Improved in Russia, Even Election Results."

The recent speech of Alla Dudayeva at a congress of the women's public and political movement "United Russia" in support for President Yeltsin, taken up by all news agencies, raised a number of questons. Answers to them can be given only by Mrs. Dudayeva herself. IZVESTIYA carries a large interview with Dzhokhar Dudayev's widow.

IZVESTIYA publishes as well an article entitled "Our Dear Candidates" about electoral funds of presidential hopefuls, the way they are formed and spent.

General Romanov has left his hospital ward for the first time. His was accompanied in his walk on Friday by journalists from KOMSOMOLSKAYA PRAVDA. The newspaper frontpages a report about it. KOMSOMOLSKAYA PRAVDA carries as well an interview with popular singer Layma Vaykule, which refutes the rumour about her alleged arrest.

RABOCHAYA TRIBUNA publishes an interview with Boris Fomin, president of the Russian Inter-Regional Union of Textile and Light Industry Business People, on the occasion of the Day of Textile and Light Industry Workers.

Gennadiy Zyuganov has contributed an article to PRAVDA, in which he shares his impressions of his trip around the country within the framework of his electoral campaign. SOVETSKAYA ROSSIYA carries an article by Sergey Glaziyev, Chairman of the National Committee of the Democratic Party of Russia. He writes: "Yeltsin and Zyuganov should struggle not against each other, but against the socioeconomic crisis and carriers of anti-Russian policy. All patriotically minded candidates should unite and bring to power a government with a deep sense of responsibility, effective and patriotically minded."

KRASNAYA ZVEZDA frontpages an article by Aleksey Khorev on the occasion of the 70th birth anniversary of Oleg Koshevoy and Lenya Golikov, in which he writes about what has been going on with our historic memory over the past several years.

CIS: Belarus, Ukraine Admitted to Central European Initiative

MM0706110896 Moscow ROSSIYSKAYA GAZETA in Russian 7 Jun 96 Weekend Edition p 3

[Report by correspondent Fedor Lukyanov under the "Diplomacy" rubric: "The Countries of Central Europe"]

[FBIS Translated Text] Budapest-Vienna — At its foreign ministers' conference in Vienna the Central European Initiative [CEI] has made the rather radical decision to admit five new countries at the same time, countries, moreover, which have never geographically belonged to Central Europe, namely Albania, Romania, Bulgaria, and even two CIS countries — Belarus and Ukraine. Does this mean that Romania and Ukraine will be regarded as Central Europe henceforth.

The CEI, which was founded in the early nineties (by Italy, Austria, Hungary, Poland, and Czechoslovakia, which was still united at the time) was planned as a regional political counterbalance to a powerful united Germany. The main task the CEI initially set itself was to develop regional and interregional cooperation, for example, with the countries of the Black Sea or Baltic regions.

It was expected that the present meeting, held behind closed doors in Vienna, would witness trenchant discussion of the admission of individual candidates, for example, Belarus. The rapprochement of Minsk and Moscow, does not, by all accounts, go down well with everyone in the CEI, but objections to the admission of Belarus were eventually lifted. Moreover, it was decided that the organization's ranks would be swelled by Moldova at the CEI's November meeting in the Austrian city of Graz.

CIS: Officials Say NATO Expansion Must Not Isolate Russia

LD0706190096 Moscow INTERFAX in English 1652 GMT 7 JUN 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] CHISINAU, June 7 (INTERFAX) — Commonwealth of Independent States (CIS) deputy foreign ministers on Friday [7 June] demanded that NATO's planned enlargement not be allowed to infringe on Russia's interests or to leave the country isolated, Moldovan Deputy Foreign Minister Ion Capatina said.

The deputy ministers, who met in Chisinau, "took the unanimous stand that stability and security in Europe must be preserved and that no polarization of the continent or confrontation between different blocs must be allowed," Capatina, who chaired the meeting, told Interfax.

"Most delegations, including the Moldovan one, felt that if NATO expanded it should provide equal security guarantees to all states, whether they are members of the alliance or not."

The fact that Chisinau was the venue of the meeting "does not at all mean that Moldova has abandoned its position of neutrality, nonmembership in blocs and nonparticipation in the collective security system of CIS countries," Capatina said. "We remain on those positions. What was discussed at the meeting were primarily problems of the Organization for Security and Cooperation in Europe (OSCE), of which the republic is a member and in whose effective activity it is interested, and also some aspects of the plans for the expansion of NATO."

Capatina said Turkmenistan, Kyrgyzstan and Uzbekistan had "for various reasons" not taken part in the meeting but that all other CIS states had.

The Russian representative, Deputy Foreign Minister Sergey Krylov, said the meeting could be seen as an act of preparation for an OSCE [Organization for Security and Cooperation in Europe] summit to be held in Lisbon in December this year.

He told Interfax it was essential that the Russian parliament ratify a fundamental political treaty signed between Russia and Moldova.

CIS: Deputy Foreign Ministers Discuss European Security

LD0706143396 Moscow INTERFAX in English 1350 GMT 7 JUN 96

[FBIS Transcribed Text] CHISINAU, June 7 (INTERFAX) — Deputy foreign ministers of countries of the Commonwealth of Independent States discussed the prospects for European security and stability in the event of possible NATO enlargement at a consultative meeting in the Moldovan capital of Chisinau Friday, Interfax was told by the Moldovan participant in the meeting, Ion Chepecine.

He said the conference, held in keeping with the schedule of the CIS secretariat, was attended by all member-nations, except Turkmenistan, Kyrgyzstan, Uzbekistan and Azerbaijan, which were absent for various reasons. No final documents were signed.

The diplomats shared the opinion that new polarization in Europe and confrontation between different military alliances must be prevented, the Moldovan deputy foreign minister said.

"Most delegations, including the Moldovan, felt that if NATO expands, it must offer equal security guarantees to all European countries whether they belong to the alliance or not," he said.

"The meeting called for taking the interests of Russia into account and preventing its isolation," Chepecine said.

Russian deputy foreign minister Sergey Krylov told Interfax the Chisinau meeting helped work out concrete proposals for the Organization for Security and Cooperation in Europe summit due in December in Lisbon.

He said he was satisfied with the approach of the participants to the question of NATO enlargement, which is of great importance for Russia.

Baltics: Baltic Assembly Criticizes U.S.-Russian Agreement

LD0806105996 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 8 Jun 96

[FBIS Translated Text] We have just received a statement issued by the Baltic Assembly Foreign Affairs and Security Committee on the agreement concluded by Russia and the United States which violates the strategic balance between Europe and Russia. It reads as follows:

In 1990 the Baltic states were not members of either the Warsaw Pact or NATO and, as a result, they were not invited to join the Conventional Forces in Europe (CFE) Treaty. When Russia, having taken over the international obligations of the USSR, violated the CFE treaty, it demanded that other signatories to the CFE should support Russia's action and should allow Russia to deploy considerably more heavy armaments turned against the Baltic states and the Nordic countries.

Such violation of the balance of forces and destabilization of international security was agreed upon at the Vienna Conference on 1 June this current year, once again without the knowledge and consent of the Baltic states.

Moreover, the U.S.-Russian Agreement and its secret protocol, the existence of which has been reported, causes great concern to the Baltic countries because neither the content nor the possible consequences of the implementation of these documents are known.

The Baltic Assembly Foreign Affairs and Security Committee has appealed to the Nordic Council and other interparliamentary organizations to use their influence on the relevant governments to ensure that a compensating security balance to the Baltic states, which find themselves in danger, is created.

Baltics: Baltic Assembly on Russian Military Buildup Near Border

LD0706154796 Riga Radio Riga Network in Latvian 1400 GMT 7 Jun 96

[FBIS Translated Text] The Foreign Affairs and Security Committee of the Baltic Assembly has expressed fears about the increased concentration of Russian troops in the Pskov region and the security of the Baltic countries. The committee is turning to the Nordic Council and other interparliamentary organizations with an appeal to use their countries' influence to avert a disproportionate distribution of armaments on the northern flank.

Baltics: Local Estonian, Latvian, Russian Organs To Cooperate

WS1006100696 Tallinn BNS in English 1653 GMT 7 Jun 96

[FBIS Transcribed Text] Tallinn, June 07, BNS — Representatives of the local self-governments of Estonian, Latvian and Russian regions bordering each other signed a cooperation agreement in the southern Estonian town of Polva Friday.

The officials also set up a cooperation council and signed its statutes, Polva county head Kalev Kreegipuu told BNS.

The cooperation body comprises Estonia's southeastern districts of Polva and Vorumaa, Latvia's Balvi and Aluksne regions as well as Russia's Pechory and Palkino regions.

Kreegipuu said joint projects were intended to focus mainly on the economy, culture and environmental protection. The council will set up a secretariat in the next few weeks that will draw up more detailed proposals for working closely in different areas.

Joint projects to be carried out under the auspices of the council are expected to be partly financed with EU aid.

Representatives of the border regions of the three countries adopted the decision to set up such a council at a EU-sponsored conference in Russia's Pskov in April this year.

Russia: Primakov: NATO Line on Expansion 'Eroded'

MM0706163096 Moscow IZVESTIYA in Russian 8 Jun 96 p 3

[Report by Stanislav Kondrashov incorporating interview with Russian Foreign Minister Yevgeniy Primakov on board plane from Berlin to Moscow; date not given: "Who Won Whom Over in Berlin, or Which Way Has the Ice Started Moving, Gentlemen of the Jury?"]

[FBIS Translated Text] Berlin and Moscow — So who, after all, won whom over in Berlin? Our newspaper asked itself this question Thursday, when it front-paged a photograph of two smiling men — Yevgeniy Primakov and Javier Solana. In the photograph it was the Russian minister who was "winning over" the NATO secretary general after the meeting according to the 16+1 formula. But what really happened, after the NATO festival in Berlin? A strong story was put about that it was precisely the opposite behind closed doors, and NATO had "won over" Russia. The story stemmed from NATO sources and was disseminated by Western agencies.

To take Solana, he has not confirmed this story. As for Primakov, he vigorously denies it, believing that everything has been turned "upside down." Primakov is offended as a politician and disheartened as a person. Hence, evidently, the minister's emotions, which made themselves known when I talked with him on board the aircraft flying from Berlin to Moscow.

"It is all lies to claim that we are 'softening' our position and that we are only opposed to the introduction of NATO troops (onto the territory of possible new members — S.K.) and their concentration close to our borders," the minister stated indignantly. "When I told Christopher that AP had cited my words, which I had never uttered, he said to Burns, the official State Department spokesman, in my presence: Did you do this? Burns practically apologized."

Primakov believes that the NATO position on the question of eastward expansion is changing, but some people regard it as "more convenient to find the explanation for the changes in a change in the Russian position." "The person who did not fall for this at all was the Frenchman de Charette." The Germans spoke of it to a lesser degree. The British kept quiet.

Of course, Primakov is cautious in his assessment of current NATO evolution, seeing no cardinal changes at present.

"But it is a fact, gentlemen of the jury, that the ice has started to move."

"In what way has the ice started to move?" I asked him.

"In this way. During the Berlin meetings, including those on a bilateral basis, it was suggested to me: Let us conduct a dialogue and work out some mutually acceptable formula during this dialogue. There was no such approach previously. What they used to say to us was more or less this: Expansion will be carried out, we can only wait until your elections, and we will get this process under way next year. Say thank-you to us for not doing this earlier, in the U.S. election year."

Previously, according to the minister, the actual question of NATO expansion, the essence and forms of this process, and the measures that must be discussed remained out of bounds for discussion. That position is now being "eroded."

[Kondrashov] "What is eroding it? Is it not the fact that, by insisting on the former line, NATO will get less benefit from expansion than detriment from worsened relations with Russia and from the unpredictable nature of these relations?"

[Primakov] "That is probably the chief cause. It is fostered by the conclusion that Russia, in taking a negative attitude to this process, has singled out from it the nucleus that is totally unacceptable to it — the advance of NATO's infrastructure toward our borders. On this basis Russia proposes conducting a dialogue with NATO, and they now agree to it. Our policy works because it deprives them of illusions."

Summing up his Berlin impressions, Yevgeniy Primakov also touched on the no less ticklish subject of the presidential election in Russia.

"I get the impression that everyone is in a state of expectation. NATO is showing that they would like to deal with a predictable Russia. Predictability is quite an important factor, which determines their stand on the election. To them, Russia with Yeltsin is predictable: It will not build up its forces so as to aggressively mount an offensive against anyone, and there will be no going back to the past. They fear that this might happen under other people. This element of continued uncertainty is present in their position, and the facts must be looked in the face...."

In Berlin, by the way, the NATO Council communique devoted special attention not only to Russia but also to Ukraine — hardly ingenuously. Ukraine was even out in front in Christopher's speech — in his mentions, descriptions, and praise of it. There were special reasons for this. The U.S. secretary of state described as a "historic milestone" the withdrawal of the "last Soviet-era nuclear warheads" from Ukrainian territory under the Ukraine-Russia- U.S. agreement. Large-scale military exercises in Western Ukraine with the participation of the United States, Russia, and seven other states — within the framework of the "Partnership for Peace" — also coincided with the Berlin meeting.

"Was it an accident that the withdrawal of the last missile coincided with the meeting in Berlin?" I asked Ukrainian Foreign Minister Hennadiy Udovenko in Berlin.

"Yes, it was an accident," he replied. "It is simply that the final deadline was approaching, although there is the whole of June to go before this deadline." Udovenko was flattered that Ukraine was the first to be singled out in this way. But he does not want to see this as a game of confrontation between the two new states. "We do not aspire to a special role," he said.

The Russian foreign minister has a broad perspective. Not only as a practicing politician but also as a scientist and internationalist, Primakov observed the collapse of the bipolar world in which two superpowers confronted each other. Now it is his practical concern as well as his political passion to ensure that the former bipolar world develops not into a unipolar world in which the United States holds sway but into a multipolar world in which it is easier for the new Russia to find a place for itself because, in layman's terms, you should not put all your eggs in one basket.

Primakov is frank on this subject and never tires, it can be said, of drumming his leitmotiv into the heads of his numerous minister colleagues throughout the world. And in relations with the United States Russian diplomacy defends the same foreign policy dialectics, in which protecting one's interests includes cooperation and excludes sliding toward a disastrous confrontation.

In his view the United States is wary of the changes which are taking place in NATO, specifically the strengthening of the autonomy of the so-called "European dimension," which emerged strongly in Berlin. NATO is gradually emerging from American sole command, and this is hard for Washington to swallow. To some extent the minister sees this as a reason for NATO's gradually crystallizing desire to conduct a mutual dialogue with Russia on the question of expansion.

"The United States understands that we are not such simpletons," the minister explains. "In Berlin I did not simply say that we support certain changes in NATO, although we are not rushing into an unequivocal assessment of them. I said in no uncertain terms that we are ready to strengthen our ties with a NATO in the process of transformation, not confining ourselves in this context merely to participation in forces to secure peace in Bosnia. I said, for example, to the participants in the 16+1 meeting: You are now creating a regional tactical antimissile defense system to protect NATO's European component not from global missiles but from third countries' missiles. We are also creating a similar system. Let us include everything in the same field. Christopher was interested in details and fine points. This is a specific idea to which they cannot fail to respond."

Primakov shared another two examples of both cooperation and differences with Washington in two "hot spots" — Yugoslavia and the Near East. At a session of the "contact group" in Berlin Moscow put forward the idea of an early lifting of sanctions against Yugoslavia in order to strengthen and not weaken Milosevic. But the Americans are threatening to resume the suspended sanctions unless Milosevic "removes" Karadzic once and for all. Meanwhile, in the Russian Foreign Ministry's opinion, the operation to ensure peace in Bosnia is proceeding "without shooting" thanks to Milosevic, and he should be rewarded and not punished for this.

In the context of Netanyahu's victory in Israel Primakov proposed to Christopher that a joint statement be delivered "reminding" him that Russia too, as well as the United States, is a co-sponsor of the peace process begun in Madrid five years ago. This was a surprise for Christopher, and he took the proposed text away to study it. If an answer is not received from the Americans in the near future Russia will deliver a unilateral statement. Primakov is almost certain that in any event the peace process will continue under Netanyahu.

[Primakov] "The point is not that we need, so to speak, to show the flag everywhere, but that right now the Israelis and Arabs will find it even harder to agree without Russia. The Americans 'molded' the Arabs toward Peres, and thank God that they were able to do so. But now in the rapprochement between the two sides we have levers which they do not."

Russia: Grachev Welcomes WEU's 'Greater Autonomy'

MM1006090096 Moscow KRASNAYA ZVEZDA in Russian 8 Jun 96 p 1

[Report by Aleksandr Golts: "Army General Pavel Grachev: Security in Europe Is Our Common Cause"]

[FBIS Translated Text] "We all live in Europe. And the security of our common home is a common concern for all European states." These words from Army General Pavel Grachev, Russian Federation defense minister, were the theme of his 7 June conversation with Jose Cutileiro, secretary general of the Western European

Union [WEU]. Jose Cutileiro, who is paying a working visit to Moscow, stressed that Russia plays a key part in ensuring peace and stability on the continent. And that is why its policy is the focus of WEU attention.

Analyzing the results of the NATO Council session that has just ended in Berlin, the Russian defense minister noted the unusual nature of the decisions adopted there. He was primarily talking about the WEU's increasing significance in the continent's affairs. The fact that the WEU is obtaining greater autonomy in ensuring European security is a positive factor.

Noting that numerous forums are currently seeking formulas for security and stability on the continent, Army Gen. Pavel Grachev asked his interlocutor to ponder the specific content of the actual concept of European security. According to the Russian defense minister, in principle this means the neutralization of any current or potential danger to our continent. And what forces and systems are needed to implement this concept depends on what the security concept is based on: the ability to repulse aggression or to prevent the very possibility of aggression.

An answer to that question must be found not just by the NATO states but by all countries in Europe. That is why, Pavel Grachev said, we are proceeding on the premise that the European security system must be based not on blocs but on the interests of all the continent's states.

During the conversation Jose Cutileiro spoke in detail about the changes taking place in the WEU's activity. He stressed that the multinational tactical forces being created under its auspices will primarily be involved in peacekeeping operations and operations to settle crises.

Russia's defense minister and the WEU secretary general discussed possible spheres of military cooperation between our country and the WEU. The situation in the Balkans was also broached.

Russia: CFE Compromise Seen as 'Major' Success

MM0706140596 Moscow KRASNAYA ZVEZDA in Russian 7 Jun 96 p 1

[Article by Colonel General Dmitriy Kharchenko, deputy chief of the Russian Federation Armed Forces General Staff: "Treaty on Conventional Forces in Europe Now Accords With Russia's Interests"]

[FBIS Translated Text] I am well aware that recent years have taught us all to be skeptical about statements about diplomatic breakthroughs and successes in the international arena. After all, sometimes accords have soon turned into fresh problems for Russia. However, I am sure that what happened the other day in Vienna is a major international success for our country. The accords reached there will strengthen the country's security and help us economically, albeit only a bit.

The first conference to examine the operation of the Treaty on Conventional Forces in Europe [CFE] has been held in Vienna. I would remind you that the treaty itself was signed in November 1990. An unprecedented arms reduction operation has been carried out over the last five years: Over 58,000 items of conventional weaponry and equipment have been eliminated in Europe.

The conference participants noted practically unanimously that over this time it has been possible to achieve the treaty's main aim — predictability in the military sphere has been ensured throughout the area from the Atlantic to the Urals. This is a common achievement for all parties to the treaty. And this was confirmed at the Vienna conference.

However, I would particularly like to note the fact that the conference adopted decisions of great importance to Russia. Readers of KRASNAYA ZVEZDA are well aware that if we had implemented literally all provisions of the treaty, we would have damaged the country's security. After all, the agreement was elaborated during the time of bloc confrontation and was supposed to balance the disposition of NATO and Warsaw Pact forces on the European continent. But it was implemented in a radically different military-political situation. The Warsaw Pact Organization disbanded and the Soviet Union disintegrated. Essentially only one pole of the previous confrontation was left — the North Atlantic alliance.

The structure of the siting of armed forces on Russian territory and the configuration of its defenses changed emphatically as a result. But we were still being asked to fulfill decisions that had been acceptable in 1990, but were by no means so in 1996. The problem of flank restrictions was particularly acute for Russia. We could not permit ourselves to reduce armaments in the Caucasus. In other words, in an area where there are conflicts. Russia simply cannot reduce military force in an area where it is having to defend its integrity.

Grueling negotiations with our treaty partners went on for many months. Eventually they agreed that the Russian demands were fair. And now there has been a breakthrough at the conference: A joint compromise package with the United States on solving the flank problem has been submitted and approved as an appendix to the final document. Under the package the Russian Federation, by removing the territories of Pskov, Volgograd, and Astrakhan Oblasts and part of Rostov Oblast from the flank restrictions, can maintain a quantity of conventional weapons consonant with our requirements for the country's flank regions. This means

1,800 tanks, 3,700 armored fighting vehicles, and 2,400 artillery pieces.

Furthermore, the conference participants approved Russia's right to exploit the treaty's so-called flexibilities. It is a question of the possibility of temporarily deploying arms on foreign territory, and also of reallocating the conventional arms quotas divided among the successor states of the former USSR under the terms of the Tashkent agreement. It is no secret that a number of CIS countries do not have as much military equipment as they are permitted under the treaty. Under these conditions it would be sensible to reallocate quotas in Russia's favor. For instance, in the Transcaucasus, where Russian troops play a stabilizing role. This is in the interests of both our country and the other CIS states.

Admittedly, it must be acknowledged that the representatives of Ukraine, Georgia, and Azerbaijan found it rather difficult to realize this reality. It was they, and certainly not the NATO countries, who turned out to be our most difficult partners. Aware of Russia's interest in adapting the treaty to new conditions, they attempted to put forward demands that were in no way connected with the agreement itself. But ultimately, as we have seen, the Russian proposals were nevertheless accepted.

Another equally important point for us is the timetable for implementing the treaty. The conference decided that Russia must achieve the required levels not now, but by 31 May 1999. This deferment will make it possible to save money at a time when Russia's economy is overstretched.

It was also possible to solve the problem over the military equipment withdrawn beyond the Urals. The former USSR's pledges regarding its reduction were not entirely fulfilled. The reasons are well known: funding difficulties, and also the fact that this question had not been settled with Kazakhstan and Uzbekistan, where some of the equipment subject to reduction was sited.

There was a need to find methods of eliminating arms beyond the Urals suiting all the treaty signatory states and not requiring great financial outlay and also to provide for the possibility of shared participation in destroying arms (once accords are reached) belonging to Kazakhstan and Uzbekistan. As a result of intensive talks before the conference we arrived at a solution of this problem. The forum's final document enshrined the resultant accords, which specific 2000 as the deadline for completing the destruction of arms beyond the Urals. The adoption of this decision will substantially reduce Russia's expenditure on eliminating arms and at the same time ensures sufficient openness in this process.

Finally, another fundamentally important point is that the final document reflects Russia's desire to ensure security in Europe on a non-bloc basis. While acknowledging that the treaty retains an important stabilizing role as the cornerstone of the European security system, the parties expressed a desire to improve it in the changed situation. Thereby confirming the need for efforts to increase the security of each state irrespective of whether or not it belongs to a military-political alliance. Ahead of the Lisbon OSCE [Organization on Security and Cooperation in Europe] summit, which is to be held in December, it has been decided to determine the general outlines of the main directions in modernizing the CFE Treaty.

In accordance with the Russian stance, the following directions are being considered: switching to national levels for the limitation of conventional weapons; the establishment of quantitative restrictions appropriate to post-confrontational security risks; restrictions on the aggregate military potentials of military-political alliances in Europe; improving the monitoring mechanism, switching it from a group footing to a national footing, and developing cooperative approaches in implementing inspection activity and on questions of the exchange of information; cooperation on questions of the elimination of arms and equipment and the provision of material and financial support to the states bearing the main burden of arms reductions; enhancing the stability of controls on conventional arms in crises and conflicts; and removing from the text of the treaty discriminatory provisions primarily concerning the regional division of the application zone.

Thus in the time remaining before the Lisbon OSCE summit the delegations of the 30 states will examine within the framework of the Joint Consultative Group in Vienna a wide range of questions of updating the treaty, which must form the basis of a model of general and all-embracing security for the Europe of the 21st century.

I want to stress that all these extremely useful decisions from the Russian viewpoint which were adopted by the Vienna conference did not materialize out of thin air, they were the result of persistent and sometimes exceptionally hard work over many months. I regard it as fundamentally important that it was possible to refute the still-current opinion that Russia is unable to effectively defend its interests in the international arena because of the difficulties of the transitional period. The work on the CFE treaty showed that it can do so. The success became a reality because the country's president set a clear task. The active personal part played in elaborating and implementing the Russian position by Russian Defense Minister Army General Pavel Grachev, Chief of

General Staff Army General Mikhail Kolesnikov, Foreign Minister Yevgeniy Primakov and Deputy Minister Georgiy Mamedov, and Foreign Intelligence Service Director Vyacheslav Trubnikov was the guarantee of harmonious, coordinated work by all these departments. And the result of this was that a most important agreement on European security now accords with Russia's interests.

Russia: U.S. Markets View Yeltsin Prospects With 'Optimism'

MM0706110496 Moscow IZVESTIYA in Russian 7 Jun 96 p 3

[Report by Melor Sturua: "U.S. 'Bulls' Believe in Victory of Russian 'Bear.' Wall Street Believes That Prospect of a Yeltsin Victory Is Preferable"]

[FBIS Translated Text] Minneapolis — In U.S. stock market jargon speculation on a rising market is known as a "bull market," while speculation on a falling market is known as a "bear market." Optimistic and pessimistic market forecasts are known as "bullish" and "bearish" respectively. Thus, U.S. stock market analysts are in "bullish" mood regarding President Yeltsin's chances of being reelected as Russian head of state.

They believe that he will win the election and complete Russia's move to a "capitalist market economy," which that will in turn bring a boom in Russian securities.

Arnab Das [name as transliterated], a spokesman for the JP Morgan banking house, says for instance: "We expect Yeltsin to win the second round." Michael Khlebnikov [surname as transliterated], a broker in the New York firm of Kh. Rivkin [name as transliterated] and Company, says: "Despite his unhappiness with the prevailing lawlessness and corruption, the Russian voter evidently prefers the incumbent president to the chaos that could ensue from a Communist victory."

The optimism of economic analysts here is based to a considerable extent on the Russian money market's "bullish" behavior. Western analysts are now using the Russian stock market as a reliable barometer for the state of our economy and society. This alone illustrates that Russia has already made the leap from "developed socialism" to capitalism, albeit still underdeveloped and chaotic. In March when Zyuganov had a double-figure lead over Yeltsin in the public opinion polls THE MOSCOW TIMES Russian securities index fell to its lowest point — 119.5 points. At the time this report was being signed to press this index stood at 221.84 points. (Lukoil, Rostelekom, and Mosenergo securities led the field).

Although, experts attach limited importance to both Yeltsin's and Zyuganov's promises. The Communist Party of the Russian Federation economic platform published here has aroused only mild curiosity. Not just because it lacks concrete, specific economic instruments. It reflects, albeit indirectly, the fact that the dynamics of the economic processes in Russia are becoming irreversible.

Russia: Deputy Minister Panov Says PRC Poses No Threat

LD0706195896 Moscow ITAR-TASS in English 1937 GMT 7 Jun 96

[By Aleksandr Valiyev]

[FBIS Transcribed Text] MOSCOW, June 7 (Itar-Tass) — China does not pose any threat to Russia in the foreseeable future, Russian Deputy Foreign Minister Aleksandr Panov said on Friday.

Moscow and Beijing are interested in each other to ensure stability and political predictability, Panov said at a meeting with Russian parliament members in charge of relations with China.

What makes China interested in Russia is economic growth, which is a strategic objective for China, he said.

The deputy minister described as very dangerous Russian media reports about an alleged "Chinese threat and expansion." "They are all myths," he said.

According to him, opposition to Russian-Chinese military cooperation is also groundless. The volume of sales of Russian military equipment to China has amounted only to four billion US dollars. The equipment purchased is of an old type, it was designed 10-20 years ago, he said.

Russia preserves some restrictions, including international ones, in the sphere of military cooperation. All of its arms sales agreements are put on an appropriate U.N register, he said.

China can hardly use Russian equipment for the creation of sophisticated weaponry, he said.

In addition, he criticised those who oppose the demarcation of the Russian-Chinese border. "We shall receive a fixed and calm border with no problems," he said.

The diplomat stressed the necessity of drawing up large-scale projects with China, especially in the field of power resources, to boost economic cooperation with the neighbour state.

Russian-Chinese trade turnover totals five billion US dollars at present, however Moscow plans to increase it to 20 billion, he said.

Russia: Official Says Moscow Regrets Latest Chinese Nuclear Test

LD1006094296 Moscow ITAR-TASS World Service in Russian 0904 GMT 10 Jun 96

[By ITAR-TASS diplomatic correspondent Andrey Kirillov]

[FBIS Translated Text] Moscow, 10 Jun — A high-ranking official of the Russian Federation's Foreign Ministry today told an ITAR-TASS correspondent of the "regret and concern" of the Russian side when it learned of the nuclear test conducted by China on Saturday. However, the diplomat, who asked to remain anonymous, noted the declared intent of the Chinese Government to end tests from September and to join the moratorium.

He said: "We assess positively the recent declaration by China of its intent to join the moratorium. We feel that the declaration is to some extent the result of our talks with the Chinese side, in that we advised China to join the moratorium — and the sooner the better. Unfortunately, the Chinese side decided first to conduct more tests, and to join only after that," the diplomat lamented.

Russia: China To Actively Participate in Building Gas Pipeline

LD0706104596 Moscow ITAR-TASS in English 1021 GMT 7 Jun 96

[By Marat Abulkhatin]

[FBIS Transcribed Text] BEIJING, June 7 (Itar-Tass) — China will take an active part in the implementation of a project to build a gas pipeline to supply gas from Russia to China. This became possible as a result of accords reached during Russian President Boris Yeltsin's visit to China in April, specialists of the Chinese Oiland Gas Production Corporation told Itar-Tass on Friday.

Under the project, the overall length of the gas trunkline will be slightly more than 4,000 kilometres. Gas is to be supplied from the Kovyktinskoye gas field, located 350 km north of Irkutsk. The annual supply of gas is expected to amount to approximately 15,000 million cubic metres, and to grow up to 25,000 million cubic metres of gas by the year 2005.

The cost of the project is estimated at about 5,000-7,000 million U.S. dollars, according to Chinese experts. The firm Sidanko will take part in the realisation of the project from the Russian side.

Many firms and companies in Japan and South Korea also show a heightened interest in this gas pipeline construction project.

Russia: Deputy Foreign Minister, Iran's Velayati Discuss Ties

LD0906092896 Moscow ITAR-TASS World Service in Russian 0543 GMT 9 Jun 96

[By ITAR-TASS correspondent Oleg Kuzmin]

[FBIS Translated Text] Tehran, 9 Jun — Russia and Iran favor developing bilateral relations and cooperation. Deputy Foreign Minister Viktor Posuvalyuk, who is in Tehran on a three-day visit, and 'Ali Akbar Velayati, head of Iran's foreign policy department, stated this on the evening of 8 June.

The Iranian Foreign Ministry's news release on the outcome of the talks reported that the Russian diplomat had handed over to Velayati a message from Foreign Affairs Minister Yevgeniy Primakov in which satisfaction was expressed with the level of cooperation between both states — particularly manifest in the joint efforts to settle the recent crisis in Lebanon — and expressed the hope that the level of bilateral contacts will be raised.

Viktor Posuvalyuk pointed out the important part played by Iran in the region, after noting that Russia is opposed to attempts to isolate that country. Attempts of this type will not yield the desired result, he stressed.

The two diplomats welcomed the agreement reached on holding the first session of the Russian-Iranian commission for economic cooperation in October 1996. Velayati said that relations between Tehran and Moscow "had become markedly more active." He favored "an expansion of consultations on bilateral, regional, and international issues."

The Iranian minister stressed the importance of resolving issues relating to the Caspian Sea as soon as possible, and called for the "immediate" holding of a meeting of ministers of foreign affairs from the states around the Caspian.

Viktor Posuvalyuk is leaving Tehran for Iraq on 9 June.

Russia: Posuvalyuk, Tehran Discuss Tajikistan, Peace Process

LD0906123396 Moscow ITAR-TASS World Service in Russian 0910 GMT 9 Jun 96

[By ITAR-TASS correspondent Oleg Kuzmin]

[FBIS Translated Text] Tehran, 9 Jun — "Russia and Iran are made for large-scale economic cooperation," Viktor Posuvalyuk, deputy foreign minister of the Russian Federation, said today. In an interview with an ITAR-TASS correspondent in Tehran before his departure for Baghdad, he stressed that he particularly hoped that expansion of ties in the economic sphere will be discussed in the first meeting of the joint commission on economic cooperation scheduled for the early autumn of 1996.

Issues relating to political interaction between the two countries were the second key subject of discussion in Tehran, the deputy minister said. "We see Iran as a major regional and international factor. We see Tehran playing an important role in the region, and view negatively attempts to force it into a corner," he said.

"Discussion of plans for eastward expansion of NATO had a special place at the talks. The Iranians accepted our arguments about the danger of such a development for peace and security, and even assessed such plans as a symptom of a future expansion of NATO's influence in the Near and Middle East," Viktor Posuvalyuk said.

Touching upon matters related to a Near East settlement in which Tehran's position is one of hostility to the peace process, the Russian diplomat said that "with Iran one has to talk about this issue by presenting arguments about the lack of any alternative to a political settlement." The positions of the two states are close on the need to prevent exclusive influence by any party in the Near East.

Asked how talks on the Tajik conflict proceeded, given that recently some parties in the conflict have accused Tehran of supplying arms to the Islamic opposition, Posuvalyuk said: "Discussion of the Tajik topic was difficult. We called on Iran to observe strictly agreements reached in Moscow by Foreign Ministers Yevgeniy Primakov and 'Ali Akbar Velayati. Both Moscow and Tehran agree that there is no reasonable alternative to dialogue, that one must not let things go so far as a breakdown in the agreement on a cease-fire. Naturally, it is naive to look for identical positions from Russia and Iran. The main thing is to find and consolidate points of contact."

Viktor Posuvalyuk evaluated positively Iran's attitude to issues connected with the Caspian Sea, describing it as close to Russia's position.

Concerning his upcoming talks in Baghdad, he said that they will focus on two issues. First, the Russian delegation, which includes representatives of the Ministry of Foreign Economic Relations, will uphold the interests of Russian companies in terms of having them participate in supplying Iraq with humanitarian goods on a commercial basis within the framework of UN Security Council Resolution 986. Second, the political dialogue on the issue of complete observance by Iraq of Resolution 687 will be continued with a view to lifting the international embargo.

Russia: UN Envoy Says Russia 'Key Player' in Balkan Settlement

LD0906140396 Moscow INTERFAX in English 1339 GMT 9 Jun 96

[FBIS Transcribed Text] MOSCOW, June 9 (Interfax) — Russia is a key player in the Balkan settlement. Largely due to Russia's assistance has the U.N. secured a mandate in Eastern Slavonia (Croatia's Serb sector), and relative stability has set in in this part of Croatia, the United Nations Transitional Administrator for Eastern Slavonia, Baranja and Western Sirmium, Jacques Paul Klein, told Interfax in Moscow.

He said that Russia and Belgium were the first countries to make a specific contribution to stability in Eastern Slavonia by sending their battalions to it in 1991.

Klein visited Moscow on June 6 and 7 on the invitation of the Russian government and had talks at the Russian foreign and defense ministries, State Duma and Foreign Intelligence Service.

"Neither should one underestimate Russia's influence in Eastern Slavonia, Zagreb and Belgrade. This explains why we had meetings in Moscow," he continued.

He pointed out that "as long as the operation is supported by Russia, we have chances of success, as neither the Serbs nor the Croats would like to anger the key players," he said.

Assessing the operation of the Russian battalion within the framework of the U.N. peacekeeping program, Klein said that everything seems to be going smoothly. The Russian battalion is located in the central part of Eastern Slavonia - Vukovar and its suburbs - which is the most important and most densely populated region which suffered the worst during the war.

Moreover, the Russian battalion has assumed a very difficult mission to guard the village of Ochary where a crime against humaneness was committed and more than 270 Croats were killed. We have certain evidence and documents on the this, said Klein. For the past four and a half years the Russian battalion has been guarding the place so no one gets in and the order is maintained when investigation is in progress, he said.

Speaking about his talks with the leaders of the Russian Foreign Intelligence Service, Klein said that the goal of the talks was to come to terms on the exchange of information about what can threaten the U.N. peacekeepers in the future.

Russia: Bank Chairman Opposes Writing Off Mutual Debts With Belarus

LD0806162696 Moscow INTERFAX in English 1554 GMT 8 Jun 96

[FBIS Transcribed Text] MOSCOW, June 8 (Interfax) — It would be unrealistic to settle Belarus' debt to Russia with political methods, Natsionalny Reservny Bank (NRB) Chairman Yuriy Kudimov told Interfax.

He was amazed at the recent Russian-Belarusian agreement to write off mutual debts estimated at $1.5 billion.

According to his information, $1 billion from this amount is Belarusian consumers' debt to the Russian gas supplier Gazprom.

"This is a real money, real financial and material resources which have been used and should be taken into account by the budget to avoid credit disbalance," Kudimov said. "There cannot be zero options in debt issues, because someone does have to pay, anyway."

The Belarusian debt could be settled painlessly for Minsk and without political interference, he said. "Minsk's debt could have been rescheduled by issuing liabilities in the form of securities and transferring them to the creditor," he said.

Moscow and Kiev already have experience in this kind of debt redemption, Kudimov said. Kiev issued hard currency bonds for the amount of its debt to Gazprom estimated at $1.4 billion, he recalled.

Political Issues

Russia: Yeltsin Informs Government of 1997 Budget Goals

LD1006094696 Moscow INTERFAX in English 0916 GMT 10 Jun 96

[FBIS Transcribed Text] MOSCOW, June 10 (Interfax) — Russian President Boris Yeltsin has sent the government an address regarding the 1997 budget policy, Yeltsin's economic aide Aleksandr Livshits told Interfax Monday.

This "technical task" tells the government the main goals in federal budget spending and revenue, financing the budget deficit, and other problems connected to this, he said.

Three interconnected tasks are put before the government, he said. These are the unconditional, full, and timely fulfillment of all the government's financial obligations, full-fledged financing of the social sphere, and the creation of conditions for the growth of investment and the stimulation of business activity.

The rate of inflation is to be kept at 0.8 percent monthly, while the federal budget deficit must not exceed 3 percent of the GDP.

"This means that the economic policy will be adjusted, but the economic strategy will remain unchanged, which is the transition from financial stability to a rise in investment activity," Livshits said.

The 1997 budget must take into account certain government guarantees, including the minimum wage, pension, inexpensive or free education, health services, and culture, he said.

Compensation on destroyed savings, the realization of the law on veterans, paying back 1990 obligations, targeted checks and contributions will be continued in 1997, he said.

The annual servicing of the external debt will not exceed 1 percent GDP from 1997-2005, he said. The volume of tied foreign loans should be lowered to $1 billion per year, he said.

"The active 1997 budget policy is meant to create the conditions for an economic upturn, keep to a balanced social policy, maintain a sufficient level of national security, increase Russia's credibility on international financial markets, and strengthen the national currency," Livshits said.

Russia: Yeltsin Sends Law on 'Right to Information' to State Duma

LD0806193096 Moscow ITAR-TASS in English 1848 GMT 8 Jun 96

[FBIS Transcribed Text] MOSCOW, June 8 (Itar-Tass) — Russian President Boris Yeltsin sent the State Duma on Saturday a law on the right to information.

In an explanatory note attached to the law, the president pointed out that the existing laws do not prove a mechanism allowing any individual to exercise his right to freely find, obtain and transfer information.

The law "On the Right to Information" is designed to fill in the vacuum, he said.

The draft law regulates relations arising during the exercise of the constitutional right to information, determines the obligations of state bodies, local government bodies and organisations, irrespective of their form of ownership and organisational and legal form, to ensure the right to information.

The law builds on the experience of legal regulation of the right to information in the United States, France, Britain and other countries, the note said.

Russia: Yeltsin Aide Explains Principles of New Criminal Code

LD0806135096 Moscow INTERFAX in English 1340 GMT 8 Jun 96

[FBIS Transcribed Text] Moscow, June 8 (Interfax) — Russia's new penal code will come into effect on January 1, 1997, Presidential Legal Advisor Mikhail Krasnov told Interfax Saturday.

Russian President Boris Yeltsin has kept one of his pledges, because the quality of the new code "conforms to the European and world standards of similar codes existing in the most developed countries," he said.

The new penal code strengthens the principles of justice, legality, humanity and protection of human rights, Krasnov said. "The main objective of the new code is to protect human and civil rights," he underlined.

"The first place in the new penal code is given to crimes against the person rather than to crimes against the state," he noted.

"In particular, the new code envisions death penalty only for attempts upon human life," Krasnov said. "The new code also provides for life sentence as an alternative to death penalty."

The main thing about the document is that it takes into account Russia's new criminal situation as never before, he said.

Krasnov cited the section about economic crimes, saying the new code took under protection "healthy economic relations."

This section features articles which envisions punishment for artificial monopolism, unfair competition, false bankruptcy, etc., he said. There also are articles against illegal business and banking activities as well as laundering "dirty money," he said. Those dodging repayment of loans will face a tougher punishment, he said.

The new code distinguishes between such notions as bribing and commercial payoff, Krasnov said. There are articles punishing for deception of consumers, he said. For the first time ever in Russia, the new code features an article against swindling in sporting events. The new realities made the authors of the code insert an article against the so-called computer crimes, he said.

The new penal code will play a great prophylactic role, Krasnov said. At the same time, he noted that the code was "OK in the sense of the severity of deserved punishment."

The new penal code will include 360 articles, which is by 100 more than in the existing one, Krasnov said.

Yeltsin is expected to sign the new code "within the next days," Krasnov said. He recalled that Yeltsin had sent the code back for adjustment in the fall of 1995.

Russia: DPR Leader Glazyev Urges Yeltsin To Dismiss Government

MK0706131696 Moscow NEZAVISIMAYA GAZETA in Russian 7 Jun 96 p 2

[Report by Grigoriy Nekhoroshev: "The DPR Leader Accuses Chubays of Racketeering. To Ensure the Implementation of Yeltsin's or the CPRF's Economic Programs, the Government Must Be Changed Immediately"]

[FBIS Translated Text] Prominent economist Sergey Glazyev, who is chairman of the Democratic Party of Russia [DPR] National Committee, last Wednesday sent an open letter to the Russian Federation president under the eloquent title "Look Back at Russia," and yesterday revealed its content to journalists.

"Judging by your election program and your earlier messages to the Federal Assembly, you have good intentions. Yet instead of you, our state is governed by the IMF, criminal nomenklatura clans, and pressure groups lobbying for the interests of foreign capital that in effect make key decisions," the letter says. Under such subnormal conditions, the DPR leader said, it is impossible to implement any normal economic program for leading the country out of its economic crisis. Glazyev thinks highly of the economic programs of the president and of his main rival, the CPRF [Communist Party of The Russian Federation] leader. He noted, however, that the seriousness of Yeltsin's plans will be evident quite soon. If a week before election day he dismisses Chernomyrdin and his government, these plans are serious enough. If not, then in the event of his victory, we shall see a rapid economic collapse and the total colonization of the country.

As concerns the CPRF leader, Sergey Glazyev cannot find a reasonable explanation as to why [Duma] deputies from his party, which constitutes an overwhelming majority is the State Duma, did not dismiss the government several months ago. Had this been done, the economic situation in the country would have been much better now.

Glazyev believes that both the ruling authority and the opposition are motivated not by the country's interests, but "above all by commercial interests." As for the vehement war between them, it is just a blind. Zyuganov and Yeltsin are even inviting the same people into the government: Svyatoslav. Fedorov, Aleksandr Lebed, and Grigoriy Yavlinskiy. Sergey Glazyev, however, shows more sympathy toward the CPRF candidate. He has a more coherent economic program and a more pronounced intention, after victory, to form a real coalition government. As concerns Yeltsin's election campaign, the DPR leader is worried over the activity of such odious figures as Vladimir Shumeyko, Sergey Filatov, and especially Anatoliy Chubays.

Glazyev accused Chubays of "using racketeering practices" on banks, extorting money for Yeltsin's election campaign. "Chubays is acting like a bandit," the DPR leader stressed several times. Responding to the question from your NEZAVISIMAYA GAZETA correspondent as to how he could substantiate his charges, Glazyev said that everything is self-evident and that it is enough to visit Yeltsin's headquarters at the President hotel. "But if Chubays tries to prove that he is not a bandit, we shall prove the opposite by using witnesses," Mr. Glazyev promised. He also refused to name a single bank that has been subjected to such an unpleasant procedure by Chubays. "You can go to the President hotel and get the whole list," the former foreign economic relations minister advised again.

Russia: 'Influential Moscow Officials' Behind Attempt on Shantsev

MK0806151296 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 8 Jun 96 p 1,2

[Report by Anastasiya Kasyanikova, Aleksey Fomin, Igor Komarov, Aleksandr Budberg: "Shantsev Was To

Be Blown Up, But the Target Was Luzhkov. Political Struggle Has Evolved Into a Fight to the Death"]

[FBIS Translated Excerpt] [passage omitted] The attempt on Valeriy Shantsev, even at first glance, seems rather strange. When someone wants to murder an executive of such a rank, he usually does murder him. After all, for the organizers of the explosion to take any chances is to endanger their own lives. The only exception seems to be the attempt to blow up Logovaz President Boris Berezovskiy: If the persistent rumor is true, Berezovskiy's miraculous escape was the cause of a rather bad fate for several very prominent kingpins in the criminal world. For instance, the dead body of Silvester, leader of the Solntsevo [criminal] group, had to be identified by his jaws.

The attempt on Shantsev, however, with all the strength of the explosion, seems to have been arranged so as to affect neither him nor his bodyguard. Metal wire pieces, with which the bomb was stuffed, can cause terrible pain and major health problems to a victim. If, however, the primary task is to murder a person, the explosive device is filled with nails or steel balls (as in the attempt on Berezovskiy, where steel shot went through even an armored Mercedes car).

Therefore, quite possibly, yesterday's tragedy in Olimpiyskiy Avenue was either a warning or a provocation.

A "commercial version" of the attempt has a number of obvious flaws. Of course, the activity of the Southern District prefect and a candidate to vice mayor could not fail to affect interests of various "natural and legal persons," but it is unlikely that any purely commercial showdown could be made right on the eve of the election. After all, an attempt on Yuriy Luzhkov's partner is sure to evoke an especially morbid reaction from the authorities precisely now. In addition, members of the Moscow Government are very significant figures for Moscow businessmen. There are very specific forces and connections behind each of them. Therefore, it seems unlikely that any of the businessmen could dare to put a pressure on Shantsev in such a way. After all, it is highly probable that retaliation can be mediated through some unofficial but very effective channels. In any case, over the past few years, there have been no indications that anyone of the Moscow leaders showed fear of a gangsters' assault.

Therefore, "political" versions seem more probable. It is the opposition that would be interested most of all in a response that was sure to follow after either a successful or an unsuccessful attempt on the would-be vice mayor. Indeed, what is the power good for once it is unable to defend even those who hold such high posts, to say nothing about mere mortals? The opposition is objectively interested in such a view of the matter. The professionalism with which the action was prepared immediately brings back to mind the series of attempts using "explosive devices," from Kholodov to General Romanov. In addition to the similarity in technique, a common feature of all of these terrorist acts was the fact that looming behind them in one way or other were arms traffickers. Under the present political showdown, these people make no secret of that they are interested in the victory of the candidate from the Communist Party of the Russian Federation, since this will surely destabilize the situation in all "frozen" wars: from Karabakh to Abkhazia. "Merchants of death" are in no way sentimental people, and they will not ask someone's permission, once they believe that a murder is in their interests.

The version that the attempt on Shantsev was staged by the party of power to provoke the imposition of a state of emergency and to adjourn the election does not seem convincing enough. After all, Valeriy Pavlinovich [Shantsev], given the scale of the country, is not the figure an attempt of whom could serve as a pretext to postpone the election (incidentally, the amount of money that has already been invested into the election is too huge to start everything anew after three months).

It seems much more probable that the "assault" on the "heir" was a warning to Yuriy Luzhkov himself. Of late, Yuriy Luzhkov has been speaking very critically about many members of the Moscow Government and said more than once that, whatever the results of the election might be, the cabinet needs to be rearranged. This involved some extremely influential Moscow officials. Each of the candidates to the retirement, however, is being backed by very potent forces, not interested in their protigi "being out of play." This means that Yuriy Mikhaylovich [Luzhkov] has been reminded, in such a diabolical fashion, that all of us are mortals.

Incidentally, many City Hall staffers feel convinced that the attempt is of an obvious political nature and is underlain by another, completely specific, hidden motive. The thing is that if Shantsev becomes unable to fulfill his duties, in accordance with formal legal rules, Luzhkov will also have to withdraw his candidacy from the mayoral election, since he will have no time to register his new companion officially. The interested parties are both Luzhkov's rivals in the election (it is known that the supporters of Terekhov, a candidate to vice mayor from the Communists, were fond of shooting as recently as in 1993) and those who are sponsoring them.

If the latter version is true, we only need to hope that Luzhkov will fail to be "removed" in such a way. In any case, there are few chances that the crime will be uncovered in the near future.

Russia: Luzhkov Still To Run for Reelection With Shantsev

LD0806103096 Moscow INTERFAX in English 1006 GMT 8 Jun 96

[FBIS Transcribed Text] MOSCOW, June 8 (Interfax) — Moscow Mayor Yuriy Luzhkov is sure he will run in the June 16 local elections together with Valeriy Shantsev and together they will prevent "what political gangsters wanted to do by staging an act of terrorism against the candidate to the post of vice mayor." Luzhkov hopes doctors and Shantsev's vitality will help him get back to his feet.

Shantsev who is the prefect of the southern district of Moscow was severely wounded in a guided explosion outside his house Friday morning.

After visiting Shantsev in hospital Saturday morning the mayor told the press the condition of his colleague is steadily grave. According to him, the Friday explosion was extraordinarily powerful and Shantsev found himself on the border of the shock wave. A woman passer-by in 50 meters from the blast was in the center of the wave and received a concussion of the brain.

Luzhkov said the explosive device was filled with pieces of wire which caused 141 wounds of his colleague. "Shantsev also has serious burns and judging by everything he will be transferred to the clinic for treating burns," the mayor said adding the next five days will be critical for Shantsev from the medical viewpoint.

In his opinion the purpose of the blast was to foil the elections of the mayor or remove the Luzhkov-Shantsev couple from participation by murdering one of them.

"Another reason for the assassination could be revenge for cooperating with the city government which acts on the basis of democratic principles and market-oriented reforms," Luzhkov said.

Shantsev's departure from radical Communist positions evidently provoked hatred in his opponents and prompted them to this outrageous atrocity, Luzhkov said.

In his opinion the two reasons could be combined. Luzhkov ruled out any other cause of the act of terrorism. He said he asked Shantsev for possible commercial or criminal causes of the explosion, because "the work of prefects is often very complicated" but Shantsev flatly denied such a possibility.

"One more possible reason for the assassination could be the wish to provoke instability in Moscow and Russia to hinder or prevent presidential elections. Already now we see attempts by Communists to disavow the election returns," the mayor said.

"It is not accidental that they are sending their observers everywhere and almost forming their own electoral commissions to say already now that the election results will most certainly be falsified," the mayor said.

He felt the claims fitted together because warnings about falsified results benefit those who do not believe in their own victory.

Russia: Central Bank To Transfer R5 Trillion to Treasury

LD0806122896 Moscow INTERFAX in English 1214 GMT 8 Jun 96

[FBIS Transcribed Text] MOSCOW, June 8 (Interfax) — "An hour and a half ago" the Directors' Council of Russia's Central Bank decided to transfer 5 trillion rubles [R] from its profit to the federal treasury, the president's economic affairs adviser Aleksandr Livshits told Interfax.

The funds will be used to ensure payment for the teachers' annual leaves and financing for defense orders. "Those they are meant for will receive them on Monday," Livshits said.

According to him, such steps will not turn into regular practice. In addition to the transfer of 5 trillion rubles, the Central Bank took several steps of "compensation character to cushion the effects of the inflationary nature of the transfer," Livshits said.

With reference to the "social" decrees concerning the situation of teachers, large families and transport expenses for those who live in Russia's Far East Yeltsin signed on Saturday Livshits said: the three documents "answer to the priorities of the president's social policy."

With reference to the decree on transport fare discounts for the Far East residents Livshits said: the document itself "is worth 1 trillion rubles, but it is also a financial guarantee for the Russian citizens' right to travel."

With reference to the expenditures connected with the implementation of these decrees Livshits said: "judging by precise calculations Russia will endure such expenditures without a rise in inflation expectations."

Russia: Livshits Plays Down Fears Over Central Bank's Independence

*LD1006122196 Moscow ITAR-TASS in English
1148 GMT 10 Jun 96*

[FBIS Transcribed Text] MOSCOW June 10 (Itar-Tass) — Economic aide of the Russian president Aleksandr Livshits played down fears that the recent law, which made the Central Bank transfer five trillion roubles (1 billion USD) of its profits to the budget, meant a change in the economic reform course and that the Bank's independence and the tough financial policy were sacrificed for election purposes.

"This was a one-time action, but not a change of the (economic) course", Livshits told reporters on Monday.

However, he agreed that there were grounds for the Central Bank to worry.

"The bank is worried for understandable reasons. Isn't the course changing, doesn't it become inflationary? And, most important, isn't the Bank infringed on as, all of a sudden, it began to receive instructions which emissions to carry out, in what time and volume", Livshits said.

And he immediately answered: "The position of the president of Russia is that neither the first, nor the second, nor the third (scenario) is taking place".

The money is aimed for paying summer vacation leaves for teachers according to the recently passed law "On social support to teachers".

The adoption of the law was in no way caused by presidential elections, but rather by the summertime, according to Livshits.

Military Issues

Russia: Yeltsin Stresses Arms Industry Successes

*MM1006101596 Moscow ROSSIYSKAYA GAZETA (DOM I OTECHESTVO Supplement) in Russian
8-12 Jun 96 p 1*

[Unattributed feature: "Does Yeltsin Like Anecdotes About Himself?"]

[FBIS Translated Text] We continue publishing Boris Yeltsin's replies to voters' questions. Russians are interested in everything about the president: What dishes he likes, what songs he sings, whether he believes in God, whether he tells anecdotes about himself.

One of the anecdotes runs as follows:

"Will you elect me president?" Boris Yeltsin jokingly asked the people.

"We will!" the people responded to the joke with another joke.

[Question] What is Yeltsin's attitude to anecdotes about himself? Does he tell them himself?

[Answer] He treats anecdotes "about himself" with humor: If Russians make up anecdotes, this means that, despite everything, they have not lost their sense of humor and that fear is finally disappearing from Russia.

[Question] Yeltsin has let NATO come up to Russia's borders.

[Answer] That is not true. Yeltsin is openly opposed to NATO's eastward expansion. Yeltsin believes that, with NATO approaching its borders, Russia finds itself in a rather ambiguous position: You get the feeling that they are "pushing" us eastward as well and reducing Russia's European weight. If fears concerning the unpredictability of Russia's internal development are being voiced in earnest, then the president believes that they can be dispelled by the conclusion of an international agreement with serious mutual obligations and guarantees.

[Question] The fate of the military-industrial complex cannot fail to be of concern to Boris Yeltsin: For 20 years he worked in and led Sverdlovsk Oblast, whose industry was 90-percent engaged in fulfilling defense orders. So he has first-hand knowledge of the problems of the military-industrial complex, which has lost its former influence, greatness, and prosperity over the years of perestroyka and reforms.

[Answer] Unfortunately, no reform can avoid casualties altogether. If the Russian leadership had inherited full coffers from the communists, the reforms would not have had such a sad effect on the state of the defense industry. But the coffers were empty in 1991, and President Yeltsin was faced with a different task: not to maintain production of tanks and military-technical developments at the former level, but to feed the country. When a country is short of butter, a totalitarian regime clutches at guns, while a democracy seeks ways to actually produce or buy that butter for the people.

It cannot be said that everything in the Russian defense industry is totally bad. Take, for example, the design bureau named for Sukhoy, which has created the world's best ground-attack aircraft in the Su-29. It has not only managed to preserve its old economic ties, which enable it to maintain the entire technological chain of aircraft manufacture, but has also learned to trade independently, getting a real market price for its labor. The state is just about managing to find the funds both to convert military production and to maintain scientific research developments in the military-industrial complex at the proper level. From where, then, would the new, democratic Russia have gotten the Ka-50 military super helicopter ("Black Shark" in American), which the Americans themselves, the acknowledged leaders in this type of armament, acknowledge as the world's best? Or the S-300 antiaircraft missile system — the envy of foreign military forces, which do not have such a weapon? Or the hundreds and thousands of new technologies which fire the imagination of our Western colleagues?

So the rumors of the death of the Russian military-industrial complex are exaggerated. Moreover, the president of Russia has repeatedly emphasized that the defense sector is not only the pride of Russian industry but also the hope of the state — it is here that the best Russian engineering minds are concentrated, and it is from here that Russia, given the sensible implementation of conversion, will derive the peaceful technologies of the 21st century.

[Question] Enthusiasm for psychics and astrologers has reached epidemic proportions in Russia. Does Yeltsin believe in them?

[Answer] Here is what Yeltsin says about this: "An astrologer predicted a violent death for me in 1993. I read this in some little magazine. As you see, I am alive and well. But, on the other hand, I have been involved in accidents on almost all forms of transport — in an aircraft, in a helicopter, and even on a horse as a child. In my student years I was a passenger on a train that was derailed. I have lived through so many critical situations with a potential lethal outcome and remained alive that I cannot help thinking that I am under some unknown protection. People say that some astrologers' predictions come true. Maybe these are just coincidences, or maybe there are some mechanisms operating which mankind simply does not know."

[Question] Does the president have a favorite dish?

[Answer] As Naina Iosifovna says, Yeltsin is not picky, and it is an unalloyed pleasure to cook for him at home. Nevertheless, pelmeni [meat dumplings] are considered the Yeltsin family's specialty. But he also likes chops with roast potatoes.

Russia: Grachev Praises Vienna Conference on CFE Treaty

LD0906084696 Moscow INTERFAX in English 0804 GMT 9 Jun 96

[FBIS Transcribed Text] MOSCOW, June 9 (Interfax) — Russian Defense Minister Pavel Grachev is satisfied with the results of the First conference on the Conventional Forces in Europe (CFE) Treaty in Vienna last week.

"The NATO member states and other signatories of the treaty have taken into consideration Moscow's concern about the flank quotas set for Russia by the CFE Treaty," Grachev told Interfax.

The new flank quotas for Russia approved by the 30 signatories of the treaty by consensus will come into effect on May 31, 1999, Grachev said. "During the next three years, Russia will maintain the present military group in its flank district that exceeds the level fixed by the CFE Treaty," he said.

By May 31, 1999, Russia will have on its flanks up to 3,700 armored military vehicles, 1,800 tanks and 2,400 artillery systems.

"Such a quantity of armed forces on the flanks enables Russia to fully ensure its security," Grachev said.

"The decisions made at the Vienna conference demonstrate that the European countries are ready to take Russia's position into account," he said.

"Such compromises on the part of West Europe with regard to Russia were hardly possible several years ago and would have been difficult without the democratic reforms implemented in our country under the incumbent president," Grachev said.

During the Vienna conference, Russia obtained a threefold increase in the quantity of arms in its flank region made up of the Leningrad and North Caucasian military districts against the previous level.

Russia: Grachev Said To Prevent Officers From Meeting With Gromov

MK0806125996 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 8 Jun 96 p 2

[Report by Nikolay Semenov: "Hate for Gromov Is Stronger Than Affection for Yeltsin"]

[FBIS Translated Text] Pavel Grachev's remarks at the All-Army meeting made people rack their brains trying to figure out who was that unidentified colonel general who dared to offer himself to the president of Russia for the role of defense minister? Public opinion leaned toward State Duma deputy Boris Gromov although his subordinates claim that Grachev did not have in mind their chief at all. The distinctive marks do not tally: Grachev said the general had no honor; Gromov does have it.

In the meantime, Colonel General Gromov, Boris Yeltsin's official campaign manager, continues [campaign] trips around Russia, meets with voters persuading them to vote for the president. Naturally, Gromov works "in his line," that is to say, mainly with military contingents. Eyewitnesses say that regular officers wear as a rule civilian clothes for meetings with Gromov concealing their military identity. The matter is that, hating Gromov to the depths of his soul, Grachev circulated to [military] districts a secret directive on having no truck with the unidentified colonel general and attending no meetings with him. But officers go to the meetings after all, meticulously observing the camouflage procedures.

Russia: Gromov Comments on New Vessels for Russian Navy

LD0806101096 Moscow ITAR-TASS World Service in Russian 0014 GMT 8 Jun 96

[By ITAR-TASS correspondent Leonid Vinogradov]

[FBIS Translated Excerpt] Vladivostok, 8 Jun (Itar-Tass) — The heavy cruiser Petr Velikiy, whose construction is nearing completion in St. Petersburg, will undergo its final state tests in a month's time. [passage omitted]

Feliks Gromov said that Russia does not seek to build the same number of vessels as other countries. In peaceful times it is sufficient to have a Navy performing a deterrent role in the seas around Russia. As for its combat capability, it is being maintained at the required level, the admiral said. This was confirmed by last winter's training, which comprised complex sea exercises and air defense firing at targets simulating incoming missile strikes. Seven out of nine training missiles were destroyed during training by the Northern Fleet, all seven missiles were hit after their launching during training by the Baltic fleet, and five launched missiles were hit by the air defense fire of warships during training by the Black Sea fleet.

Gromov said that new ships for the Russian fleet will be built on the basis of Russian technological designs. He cited the example of the Admiral Kuznetsov aircraft carrier, which recently returned to the Northern Fleet after its Mediterranean voyage. It is the only ship in the world with a ski-jump take off. A total of 16 crews have been trained to land and take off from the aircraft carrier. All of them were given the title of Hero of Russia.

Russia: Scientist: Foreign Help Needed To Destroy Chemical Weapons

LD0906125696 Moscow INTERFAX in English 1201 GMT 9 Jun 96

[FBIS Transcribed Text] MOSCOW, June 9 (Interfax) — Russia's position on the ratification of the global convention banning chemical weapons is deeply worrying one of the world-reputed experts in this sphere, the U.N. secretary-general's advisor and Academician of the Russian Academy of Sciences, Lt. Gen. Anatoliy Kuntsevich, who has sent a letter on the issue to Gennadiy Seleznev, the chairman of the State Duma, the lower house of the Russian parliament. A copy of this letter has arrived at Interfax.

During the parliamentary hearings on chemical weapons, held a few days ago, the deputies expressed their deep concern about Russia's unpreparedness to ratify the global convention banning chemical weapons, writes Kuntsevich.

To this day, the State Duma has not received any program for the elimination or conversion of enterprises which produced chemical weapons, he writes. He believes that the law on the elimination of chemical weapons must be finalized and made more specific in terms of goals, safety and environmental protection.

The program for eliminating chemical weapons, approved by the Russian government, has not undergone any state analysis. Neither has any evaluation been made of the expediency of putting 16.5 trillion rubles into it exclusively at the expense of the tax-payers. Meanwhile, since 1992 there have been real opportunities to receive western aid amounting to 40-50 percent of the sum required for implementing this program, writes Kuntsevich.

As a result of eliminating professional organizations which manufactured chemical agents for many years, the armed forces have found themselves faced with an uncommon task of operating enterprises for eliminating chemical weapons. This is at variance with the armed forces' mission, all of which arouses serious concern. Neither is there any clarity about the status of chemical weapons: the approval of the program for eliminating chemical weapons provides for removing it from the armed forces, which has not been coordinated with the State Duma, either, he writes.

In his opinion, in the absence of objective information "fears connected with the problems of the production and small-scale elimination of chemical weapons have been brought to the point of absurdity." As a result, in some of the regions where chemical weapons are stored, public protest is being built up against programs for the elimination of chemical weapons, and the local population is under enormous psychological strain.

Given these and other problems, prospects for the ratification of the convention are becoming very vague, Kuntsevich writes. He believes that the State Duma should urgently initiate discussions of the problem with the parliaments of Germany, the U.S., Italy, Sweden and other NATO states.

Regional Affairs

Russia: Yeltsin, Lobov Meet in Kremlin, Discuss Chechen Talks

LD0806105896 Moscow ITAR-TASS World Service in Russian 1019 GMT 8 Jun 96

[By ITAR-TASS correspondent Andrey Surzhanskiy]

[FBIS Translated Text] Moscow, 8 Jun (Itar-Tass) — Russian President Boris Yeltsin today met in the Kremlin Oleg Lobov, secretary of the Security Council of the Russian Federation, the ITAR-TASS correspondent has learned from presidential press secretary Sergey Medvedev. He said that the meeting focused on the settlement of the situation in Chechnya and the course of talks between the delegations of the federal center and the Chechen opposition that are taking place in Nazran.

The press secretary also said that the Russian head of state met members of his election headquarters and discussed with them the course of election campaign.

Russia: Chechen Leadership Sends Letter to Yeltsin, Chernomyrdin

LD0906100496 Moscow ITAR-TASS in English 0944 GMT 9 Jun 96

[By Aleksandr Kharchenko]

[FBIS Transcribed Text] GROZNYY, June 9 (Itar-Tass) — The presidium of the Chechen parliament and the republican government are firmly convinced that there is no alternative to a peaceful settlement of the Chechen conflict, says an address by the two bodies of power of the Chechen republic to Russian President Boris Yeltsin and premier Viktor Chernomyrdin.

The text of the address was received by the Itar-Tass office in Groznyy on Sunday.

"We believe at the same time that the talks should proceed with the participation of a plenipotentiary delegation of legitimate authorities of the Chechen Republic and only on practical implementation of the understanding signed in Moscow on May 27, 1996," the document says.

"Another course of talks can only aggravate the already difficult social and political situation in the Chechen Republic."

The Chechen public accepted with hope the results of the Moscow talks, notes the address signed by speaker of the Chechen parliament Amin Osmayev and chairman of the republican government Nikolay Koshman.

Following the arrival of President Boris Yeltsin in the republic, citizens of the republic were sure that a dramatic turn will come, at long last, in a peaceful settlement of the crisis.

However, "it has become evident over the past few days that Yandarbiyev and his retinue do not intend to observe the achieved understandings."

Speaking at rallies, Yandarbiyev "openly called for physical destruction of Chechen cabinet members, candidates for the Chechen National Assembly as well as for a boycott of elections fixed for June 16, 1996."

In this connection, the Chechen leadership believes that "Yandarbiyev's side exploits the negotiating process not for achieving peace and accord in the Chechen Republic."

Russia: OSCE's Guldimann 'Surprised' by Chechen Removal Request

LD0906180296 Moscow ITAR-TASS in English 1753 GMT 9 Jun 96

[By Aleksandr Kharchenko and Ruslan Maisigov]

[FBIS Transcribed Text] NAZRAN, June 9 (Itar-Tass) — The Chechen government expressed unwillingness against the further stay in the republic of the OSCE [Organization for Security and Cooperation in Europe] mission under the guidance of Tim Guldimann.

A statement circulated on Sunday and signed by chairman of the government Nikolay Koshman, stresses that "staffers of the OSCE mission in Groznyy, including its head Tim Guldimann, overstepped the limits of their powers in the recent past."

They "revise decisions taken by legislative bodies of the Chechen republic, participate in unauthorised events organised by people recognised as guilty of criminal actions."

The statement also notes that the leadership of the OSCE mission in Groznyy "does not agree routes of their movements in the Chechen Republic with authorities, does not inform them of their meetings with leaders of illegal armed detachments" and "not always adequately respond to terrorist and saboteur actions" by gunmen.

The statement stresses at the same time that the Chechen government has always acclaimed and supported initiatives and specific actions by the OSCE mission in Groznyy "as a plenipotentiary mission of a prestigious international organisation, called upon to promote unbiased a peaceful tackling of problems" on a settlement of the conflict in the Chechen republic.

Guldimann, in turn, said he was greatly surprised at the criticism, as "nothing of the kind has been said before," he said.

Guldimann, who attends peace talks between a federal delegation and rebels negotiators in the Ingush capital Nazran, said in an official statement that "cooperation between the OSCE mission and the (pro-Moscow leader) Doku Zavgayev government has been of a constructive character, taking into consideration the willingness of both sides to settle the crisis on Chechen territory by peaceful means."

Russia: Moscow 'Studying' Chechen Charges Against OSCE Mission

LD1006113496 Moscow INTERFAX in English 1024 GMT 10 Jun 96

[FBIS Transcribed Text] MOSCOW, June 10 (Interfax) — The Russian government is "thoroughly studying" a statement by the Chechen government protesting against further presence in Chechnya of a mission of the Organization for Security and Cooperation in Europe (OSCE), an official said.

An official with the Russian Foreign Ministry told Interfax on Monday that the charges brought against the mission and its head Tim Guldimann of Switzerland are "very serious and require thorough examination."

He recalled that "the OSCE support mission is in Groznyy with the consent of the federal authorities who gave the go-ahead to its presence in the Chechen republic."

The official admitted that Moscow has certain complaints about the mission's work in Chechnya. At the same time, he stressed that "I do not remember any statement by the federal authorities lately that the OSCE support mission works badly."

"On the contrary, federal authorities have noted its importance and role, including in the launching of talks between Moscow and representatives of the Chechen armed opposition," he said.

Guldimann is attending the talks as an observer.

The official said that he personally was "surprised" by such a sharp reaction on the part of Groznyy.

He did not rule out the possibility that the Foreign Ministry may respond later in the day after a thorough examination of the statement.

The statement, issued on Sunday, said in particular that "members of the OSCE mission in Groznyy, specifically its head T. Guldimann, have overstepped their authority, including by revising a decision adopted by the Chechen legislative bodies."

The Chechen authorities also accused Guldimann of participating "in unsanctioned, and often provocative, activities conducted by people who have been pronounced guilty of criminal offences by Russian law."

In addition, the leadership of the OSCE mission "does not always adequately respond to unlawful actions, including to terrorist acts and acts of sabotage," the statement said.

Russia: Chernomyrdin Holds Meeting on Chechnya With Power Ministers

LD0806095096 Moscow INTERFAX in English 0923 GMT 8 Jun 96

[FBIS Transcribed Text] MOSCOW, June 8 (Interfax) — Prime Minister Viktor Chernomyrdin held a conference Saturday with power ministers and members of the government commission for a settlement in Chechnya on the talks with Chechen separatist leaders.

The head of the press group of the government commission Sergey Slipchenko told Interfax the conference was attended by Interior Minister Anatoliy Kulikov, Federal Security Service Chief Mikhail Barsukov, the commander of the federal force in Chechnya Gen. Vyacheslav Tikhomirov, Security Council Secretary Oleg Lobov, Nationalities' Minister Vyacheslav Mikhaylov, the head of the Chechen republic Doku Zavgayev and secretary of the government commission Sergey Stepashin.

Slipchenko said the conference discussed the first round of the talks with Chechen militants which ended in Nazran on June 6.

According to sources in the government commission, two protocols on a ceasefire and the exchange of captives are practically ready. However, the Chechens refused to sign the documents and put forward political demands instead.

According to other sources, the federal delegation does not have the powers to discuss military matters. They hope that the current interval is only technical and the talks will continue in Nazran on June 9 according to plan.

Slipchenko quoted Stepashin as saying: "I will never agree with returning to war. Everything must be done to end the conflict with peace."

Russia: Chechens Soften Position at Nazran Talks

LD0906163396 Moscow NTV in Russian 1500 GMT 9 Jun 96

[FBIS Translated Text] The Russian authorities are now trying to preserve part of the federation at the talks with Chechen rebels in Nazran. Officials are expressing the hope that the Chechens may soften their position. An interesting statement made during an interval in the talks by one of the members of the Chechen delegation, Khozh-Akhmed Yarikhanov, was perhaps an indirect confirmation of that. He said that for independence they would need an economic and social basis. Therefore the delegation decided that they would return to the discussion of Chechnya's status later.

[Begin Recording] [Correspondent Aleksey Tereshchenko] Prior to his departure to Nazran, Valentin Zorin, deputy head of the delegation, was in an optimistic mood.

[Zorin] I think that the positions have been clarified and that we will be able to work constructively.

[Tereshchenko] According to Zorin, the range of the dialogue permissible with the Chechen opposition has been slightly expanded. The Kremlin now thinks that it is possible to discuss the mechanism of defining the future status of Chechnya. The separatists's main demand, however — that elections to the people's assembly should not be held until federal troops have been withdrawn — has remained unanswered.

[Zorin] The decision was not taken by the federal center. Consultations and dialogue should be conducted with those who took the decision.

[Tereshchenko] Meanwhile, the official government in Groznyy is not only not going to discuss the matter with the opposition but it is opposing the talks in Nazran in an indirect way. Today it expressed non-confidence in the head of the OSCE mission in Chechnya, Tim Guldimann, and described his position as unconstructive.

Aleksey Tereshchenko and Vladimir Avdeyev, NTV Moscow. [end recording]

Russia: Negotiators, Chechen Rebels Agree To Solve Issues Peacefully

LD0906141796 Moscow ITAR-TASS in English 1403 GMT 9 Jun 96

[By Ruslan Maysigov]

[FBIS Transcribed Text] NAZRAN, June 9 (Itar-Tass) — Federal negotiators and Chechen rebels on Sunday agreed that all issues should be solved peacefully and without the use of force, head of the Russian delegation and Minister of Nationalities Vyacheslav Mikhaylov told reporters.

Both sides "will be sticking to the letter and spirit of the agreement stipulating that all issues, no matter their difficulty, should be solved through negotiations, peacefully, and without making threats or using force," Mikhaylov said.

According to Russian Prime Minister Viktor Chernomyrdin's resolution, speaker of the Chechen parliament Amin Osmayev and Chechen deputy prime minister Vakha Sagayev will join the federal delegation.

There have been no alterations to the Chechen rebel delegation headed by commander-in-chief Aslan Maskhadov, separatist information minister Movladi Udugov said.

Russia: Chechen Negotiators Reportedly Agree on Military 'Package'

LD1006115296 Moscow ITAR-TASS in English 1103 GMT 10 Jun 96

[By Ruslan Maysigov]

[FBIS Transcribed Text] NAZRAN, June 10 (Itar-Tass) — Working groups, negotiating the package of military problems to settle the conflict in Chechnya, got down to talks in the capital of Ingushetia in the morning today.

The federal working group is headed by Lieutenant-General Vyacheslav Tikhomirov, Commander of the Group of Federal Troops in Chechnya, and the Chechen separatists' group — by Aslan Maskhadov, Chief of Staff of the separatist forces.

The delegations of the federal authorities and the Chechen separatists have agreed as a result of their talks in Nazran to sign a draft on the package of military problems, Itar-Tass has learned from trustworthy sources close to the negotiating sides.

These sources said the Chechen settlement would proceed in two stages: first to deblock the villages (a withdrawal of the troops) — from June 11 to July 7; and second to disarm the separatists — from July 7 to August 7.

The sides agreed on all major issues of the package of military problems, one of the heads of the delegation of Chechen separatists Khozh-Akhmed Yarikhanov told Itar-Tass in an interview.

The signing of the document on military issues must be preceded by the settlement of a political problem — the postponement of the day of elections to the People's Assembly of the Chechen Republic from June 16 to a later date.

"For us the question about holding elections to the parliament of Chechnya is not of priority as it is not within the framework of the agreements signed in Moscow," Vladimir Zorin, representative of the federal delegation told Itar-Tass.

Russia: Nazran: Maskhadov Hands Over POW's to Russian Negotiators

LD0906185696 Moscow Russian Public Television First Channel Network in Russian 1600 GMT 9 Jun 96

[From the "Novosti" newscast]

[FBIS Translated Excerpt] Talks resumed today in Nazran between a federal delegation and the Chechen separatists. I remind you that these talks ran into difficulties last week. Not much in the way of results was achieved, and eventually they were broken off on 6 June — for technical reasons, as was officially stated. Our correspondent Grigoriy Brynza reports on today's events at the talks:

[Begin recording] [Brynza] En route to Sleptsovskaya airport the aircraft carrying the Russian delegation stopped off in Groznyy. Members of the Russian delegation expressed condolences to the relatives and friends of Yusup Elmurzayev, the head of administration of Urus-Martanovskiy District, who was murdered yesterday. It was noted that this murder, just like the attempt to kill General Anatoliy Romanov eight months ago, could wreck the negotiating process.

According to instructions from Russian Prime Minister Viktor Chernomyrdin, the Russian delegation has been widened to include Mamed Asmayev, speaker of the Chechnya parliament, and Ruslan Tsakayev, deputy prime minister in the Chechen government. The Chechen delegation remains unchanged.

[Vyacheslav Mikhaylov, Russian minister for nationalities] Before the meeting got under way, we once again exchanged views. We ask the press to report that both commissions will adhere to the spirit and letter of the accord and the stipulation in its preamble that all questions, no matter how complex they may be, will be settled exclusively by negotiation, peacefully without force, or the threat to use force. The same procedural arrangements apply. Aslan Maskhadov is in the chair today.

[Brynza] Both delegations had lunch together before the talks got under way. Immediately after the meal, the Chechen side handed over Lieutenant Colonel Maksimenko and Private Morozov to the Russian side. I remind you that these servicemen escorted Aslan Maskhadov's delegation during the work of the special monitoring commission last year. It was precisely at that time that they were taken prisoner. They were held in captivity for 231 days.

[Maskhadov] I wish to say yet again that during 18 months of war this is the sole [captive-taking] that I feel responsible for and I apologize for this to the Russian side.

[Brynza] Lieutenant Colonel Maksimenko said that the two men were not mistreated in any direct way. But there were elements of violence in the way they were treated. [passage omitted]

[Brynza] Nikolay Bezborodov, leader of the working group for exchange of captives, also spoke to journalists.

[Bezborodov] According to the list, the Chechen side was supposed to release 27 internal troops servicemen. So far these people have not been released. On our side, we have released 14 people as of 1100. This was done in the presence of the head of administration of Shalinskiy District.

[Brynza] In response to this the Chechen side, in the person of Khusayn Khamidov, said that the 27 Russian servicemen who were taken captive in Nozhay-Yurtovskiy District were also ready for handover. However...

[Khamidov] According to the document, they should have been transferred directly from your hands to our hands. But the Russian side handed them over unilaterally to God knows who. They say they have handed them over. But the Chechen side knows nothing about this. There is no documentary proof of this. [end recording]

Russia: Progress of Chechen Negotiations Analyzed

LD0706150196 Moscow NTV in Russian 2000 GMT 6 Jun 96

[FBIS Translated Excerpt] [Begin recording] [Announcer] It is unlikely, of course, that the only reason for the complications during the talks was the negative effect produced by statements made in Moscow. But perhaps they should not be ignored since the background of the talks at times tells more about the participants than their official statements.

Incidentally, in spite of Zavgayev's official status, what he said in this particular case was his personal opinion. The view expressed by Emil Pain, member of the Presidential Council, however, could be regarded as more official.

[Pain] I think that the participants in the talks have a good reason to sit there and negotiate. Motivation is so great, it encourages them in difficult conditions to try and reach mutual agreement. Remarks by any political figure are unlikely to disrupt progress at the talks.

[Announcer] As for the opinion that Yandarbiyev is not representing the whole of the population, perhaps he is not. But our armed forces are not fighting against the population. They are fighting against rebels. And Yandarbiyev is undoubtedly representing the rebels. Without Yandarbiyev, the rebels are just armed men from the mountains at best; at worst they are criminals even in the eyes of the Chechens, in the eyes of the Chechen society. Only Yandarbiyev gives them some legitimacy. Therefore they will never abandon him, they are grouping around him and relations between him and the main field commanders to a certain degree are even better than they were between Dudayev and Maskhadov.

One could say anything about the special position of Basayev, but if Shirvani Basayev is taking part in the talks in Nazran, one can be assured that he and his brother have reached an agreement. At least in Chechnya a brother is not fighting against a brother.

[Shashkov] The nervousness with which Doku Zavgayev regards the talks with Yandarbiyev are understandable. He is simply afraid that his services may not be needed in the future.

[Aleksey Zudin, from the political technology center] I think that objectively, because of his political interests, Zavgayev is unlikely to be interested in a successful outcome of the peace talks with the separatists because such a development would simply deprive him of his political future. [passage omitted] [end recording]

Russia: Concessions Could Mean 'Third Stage' of Chechen War

MM1006120496 Moscow IZVESTIYA in Russian 8 Jun 96 p 2

["Rapid Analysis" article by Aleksandr Golovkov, IZVESTIYA analysis center: "Will There Be a Third Stage of the Chechen War?"]

[FBIS Translated Text] Reports in the media of the appearance of Shamil Basayev's gunmen in Abkhazia (possibly resting after the hard work of the past campaign) completes a not uninteresting logical sequence. It includes acts of sabotage by separatists, reports of their infiltration of "clean" population centers, and the tactics of Ichkeria's representatives at the talks in Nazran, again postponed (to 9 June) without any visible results.

It would be desirable for Moscow to achieve peace as quickly as possible on mutually acceptable terms. Presumably this is what the majority of the Chechen people is looking forward to as well. But to Yandarbiyev and his people the peace that can be obtained as a result of a December-May campaign that was lost outright is of no use at all. But a respite is vital.

Z. Yandarbiyev's personal aim, apparently, is to establish himself as much as possible in the role of a real political leader and to transfer the main financial contributions to him. A. Maskhadov is competing with him, aware that his numerous enemies in Chechnya (following the grim business of the elimination of S. Raduyev) and in Russia (following the attempt on General A. Romanov's life and the events in Gudermes last December) are not going to allow him to quit the stage that easily. A. Zakayev, who can come and go at will, is clearly aspiring to something greater than the role of a mere field commander. Sh. Basayev, the most hard-boiled, lives only for war.

Essentially, the separatists are preparing for a new round of hostilities, which could coincide with the end of summer and beginning of autumn.

Therefore they are demanding first and foremost the removal of all federal forces' fortified checkpoints, which would ensure freedom of movement for their forces and the opening of supply lines for them.

Second, they say, the federal forces should be concentrated in a prescribed limited area, with the remaining territory obviously being placed under the control of the gunmen.

Then the federal forces would leave Chechnya, and elections would be held there. So Sh. Basayev's "Abkhaz battalion," probably tightly concentrated in secluded corners of self-proclaimed Abkhazia, would be in the right condition for them. On the big day it would move into Chechnya, where it would immediately acquire more gunmen and monitor the outcome of the elections.

At the talks in Nazran the separatists repeatedly tried to get political items onto the agenda. But they would not hear of the parliamentary elections planned by D. Zavgayev for 16 June. It is not in their interests that military conflict should be transformed into a normal political process. Indeed, if the federal forces and Internal Affairs Ministry units remain in Chechen population centers for the duration of the vote it will be a guarantee (albeit not a complete one) against physical and psychological terror in respect of the voters — the separatists' invariable "instrument" in all their political actions.

It would seem that the factor of the relative military weakness of the separatists, heavily defeated in Novogroznenskiy, Goyskoye, and Bamut, can be used not only for the republic parliamentary elections but, primarily, to strengthen the constructive intra-Chechen forces in general, then the military-political offensive planned by the "intransigents" for the end of summer and beginning of autumn would not only not be supported by the bulk of the Chechen population but in many places would be firmly rebuffed.

If again, as in the past, Moscow makes concessions to the separatists, enabling them to become the dominant force again in a large part of Chechnya without a fight, a third round of military confrontation is inevitable.

Russia: Chechen Separatists Accused of 'Double Game'

MM0706171396 Moscow KRASNAYA ZVEZDA in Russian 8 Jun 96 p 2

[Report by Anatoliy Mikhaylov: "Separatists Playing Double Game"]

[FBIS Translated Text] The talks between the federal authorities' and the Chechen separatists' delegations are due to be continued 9 May in the capital of Ingushetia. The first round of talks ended on the evening of 6 June with practically no results. The sides have so far simply failed to sign either a protocol on a cease-fire in the Chechen Republic or an agreement on the exchange of illegally held persons.

This particular agreement was the closest to being signed. But representatives of the armed Chechen opposition rejected the accords at the very last moment. According to a report from our stringer, Lieutenant Colonel Vasiliy Panchenkov, staffer at the Russian Federation MVD [Ministry of Internal Affairs] Internal Troops Press Bureau, the gunmen are currently holding 40 Internal Troops servicemen including those they captured on the night of 31 May-1 June during the fighting to repel the attack which took place right after a cease-fire was declared by both sides.

In the opinion of Colonel General Anatoliy Shkirko, commander of Russian Federation MVD Internal Troops, this gives rise to serious doubts about Zelimkhan Yandarbiyev's ability to control the field commanders' actions and about the sincerity of Aslan Maskhadov, who, the Internal Troops command has learned, actually planned the night attack on the security detachment. It cannot be ruled out that Maskhadov did this deliberately in order to help out the 10 gunmen who had been arrested by law enforcement organs in Shali during a passport check.

But Maskhadov himself determines far from everything. According to Internal Troops command data, every field commander who captures a Russian soldier or officer himself decides the latter's fate and is in no hurry to part with him. "The complexity of the situation resides in the fact that many of our servicemen have fallen into the hands of common bandits who do not acknowledge any agreements," the Russian Federation MVD Internal Troops commander commented on the situation.

Meanwhile, in the last 24 hours eight bombardments of federal troops' positions have been recorded in the region of the populated areas of Bamut, Alkhazurovo, Tangi, and Orekhovo. One Internal Troops serviceman was wounded.

Russia: Chechen Separatists' Sincerity Doubted

MM1006104096 Moscow KRASNAYA ZVEZDA in Russian 8 Jun 96 p 2

["Topic of the Week" article by Aleksandr Golts: "Chechnya: There Must Be No Repeat of Last Year's Scenario"]

[FBIS Translated Text] Chechnya remained the main topic of the past week despite the fact that the Russian election campaign is entering the final stages and the country has literally been inundated with all manner of propaganda. Will it be possible to stop this conflict after the agreement signed in Moscow between the Russian Government and the Chechen separatists? That question more than many others is what is now worrying thousands and thousands of Russians. But there is still no clear-cut answer.

At first glance the skeptics seem right. After all, the cease-fire announced as of 1 June has not been implemented in full. It has been marked by countless attacks on Russian troops, acts of terrorism, and the capture of our servicemen. Talks have indeed begun in Nazran between the official Russian delegation and the separatists' representatives. But the Dudayevites' leaders first came up with a strange ultimatum, demanding the immediate withdrawal of the troops and threatening the resumption of hostilities. Then they made proposals which can only be called a compromise by way of a joke (and a quite stupid joke at that). Compared with the initial ultimatum the federal troops were given a slightly longer period to withdraw. And only then will the gunmen start to disarm, declaring Chechnya itself a "demilitarized zone." Then they promised to hold elections with the participation of international observers. And then the issue of Russian-Chechen relations will be discussed.

In Nazran the separatists clearly tried to "backpedal" compared with the meeting between Boris Yeltsin and Yandarbiyev in Moscow. Instead of discussing concrete issues pertaining to the implementation of the truce, which has already been agreed, they are making what are obviously unrealistic demands. Those people who remember what a farce the gunmen's promised disarmament became last summer should not be under any illusions now. It is not by force so much as by guile that the separatists want to oust the federal troops and establish control over the republic. There is nothing to prevent them organizing some kind of provocation after the troop withdrawal like last year's attack on General Romanov so as to completely nullify all previous accords. The promises to hold free elections after the troop withdrawal mean absolutely nothing. The Dudayevites have repeatedly demonstrated their own supremely idiosyncratic attitude to freedom of choice (remember the dissolution of the republic's legislative organs) and international law.

Nonetheless I do not think that the gunmen consider Russia's representatives so naive as to accept these proposals. They are counting on something else: Their aim is to make unrealistic demands, taking maximum advantage of the election situation, and drag out the talks in order to rebuild their forces. The situation of "neither peace nor war" is extremely advantageous from the purely military context too. After all, attacks on the federal troops can always be ascribed to an unknown, allegedly uncontrollable third force. And Russian Army retaliation can always be presented as an attempt to wreck the talks. The Chechen separatists obviously want a repeat of last year's scenario when they were able to use the cover of talks during the truce to regroup and replenish subunits worn out by the Russian troops, organize supplies for them, and then begin the war anew.

That is all true. And there is undoubtedly the threat of a repeat of last year's scenario. But nonetheless there is an extremely big difference between what happened then and what is happening now. Moscow was reluctantly forced to agree to talks with the gunmen then, after the tragedy in Budennovsk. Today the separatists, who rejected a few weeks back the very idea of contacts with Moscow, have agreed to talks. Not only agreed but also accepted the pretty firm — to say the least — style in which Boris Yeltsin conducted these talks.

The defeat that they suffered in Bamut and a number of other areas, considered the main strongholds of their defense, undoubtedly played a crucial part here. It was the Russian soldiers' fearlessness and selflessness, which Boris Yeltsin mentioned while in Chechnya, that enabled Moscow to hold the talks from a position of strength. There you have it: from a position of strength. There is no need to be scared of these words.

All the talk about good will is not very appropriate in this situation. To be honest, I do not have too much faith in the sincere desire for peace of those who provoked this war, who have made their people hostages of their own bid for power. These people can only work toward peace when they realize that they cannot achieve their objectives by military means. Ultimately peace will only come to Chechnya when the separatists' leaders see that they cannot use money or threats to force the Chechens to fight on their side. They may quite well have sensed after Bamut that they were close to the time when their forces would be depleted. And the separatists are now bluffing in an attempt to gain the maximum. So, the Russian delegation must take the same calm, tough tone taken by Boris Yeltsin, which ensured the success of the meeting in Moscow.

In actual fact the gunmen now hold the only more or less major trump card in the talks, namely the election situation in Russia. Naturally Boris Yeltsin's rivals will try to use the disruption of the talks in Nazran in their own interests. But I am not sure that this would be winning hand in the election game. After all, voters have not forgotten Budennovsk and the lamentable experience of last year's truce.

Russia: Yeltsin Comments on Agreement With Nizhniy Novgorod

LD0806115096 Moscow Russian Television Network in Russian 1000 GMT 8 Jun 96

[Video report by D. Pugacheva; from the "Vesti" newscast]

[FBIS Translated Excerpt] Nizhniy Novgorod Governor Boris Nemtsov and Viktor Chernomyrdin, chairman of the Russian Government, signed the agreement on the division of powers between the federal center and the Nizhniy Novgorod Region in Moscow today. Boris Yeltsin also signed the document, reconfirming the freedom and greater economic independence of the region.

[Begin Yeltsin recording] The division of powers is, first of all, a division of responsibilities. By signing this agreement, the regional administration is assuming additional responsibility for the living standards of the people of the region. [end recording] [passage omitted]

[Begin recording of Ye. Krestyaninov, Russian president's representative in Nizhniy Novgorod Region] We have signed this agreement, which grants Nizhniy Novgorod Region the right to finance the programs, institutions, and organizations that would be financed by the federal budget from the income that is paid into the federal budget. This means that those who are entitled to the money, the end users, will receive it faster. [end recording]

Boris Nemtsov has unique experience with creating free economic zones at the region's defense enterprises, which constitute 80 percent of the region's industrial facilities. The state order financed by the Defense Ministry remains, but local authorities take charge of conversion and development programs. The Russian Government has given the people of Nizhniy Novgorod a chance to take control of the region's property. [passage omitted]

Russia: Chechen Police Arrest Suspects for Murder of Elmurzayev

LD0806155596 Moscow INTERFAX in English 1544 GMT 8 Jun 96

[FBIS Transcribed Text] Groznyy, June 8 (Interfax) — The Chechen police detained seven people suspected of being involved in the murder of the head of the Urus-Martan district administration, Yusup Elmurzayev, sources in the Chechen government told Interfax Saturday.

Elmurzayev, his driver and two bodyguards, had been gunned down near the village of Alkhazurovo at 10:20 a.m. Saturday. The gunmen wore camouflage uniform and face masks. They got away in two cars toward the village of Goyskoye.

An operations group of the Chechen Interior Ministry managed to detain the gunmen near Goyskoye.

Economic Issues

Russia: Stroyev Cited at Economic Policy Roundtable

MM1006093096 Moscow RABOCHAYA TRIBUNA in Russian 7 Jun 96 p 5

[Report by Nikolay Demidov: "Yegor Stroyev: 'Economic Policy Program According With Citizens' Interests Needed'"]

[FBIS Translated Text] As RABOCHAYA TRIBUNA has already reported a "roundtable" session was held recently on the need to correct economic policy in Russia. Taking part were eminent and authoritative people in our country. Today we offer for readers' attention the opinion of Yegor Stroyev, chairman of the Russian Federation Federation Council, on the situation which has taken shape in the economy and ways out of the crisis.

Over four years have elapsed since the start of the economic reform. The main thing that they have succeeded in doing is creating functionally different conditions for the establishment of diverse forms of ownership and types of economic management, determining some legal bases for the mechanism for the functioning of the financial and credit system, developing the consumer goods market, and, most importantly there has been a certain advance in public awareness toward the need for reforms in the economy, the social sphere, and the political system. That is the basis, the foundation for the future. At the same time there has been a decline in the Russian population's living standard, production is falling off, and the production crisis is continuing.

Today public awareness is strongly politicized and common sense is having difficulty in getting through but one must know that even after 17 June [date as published] it will be necessary to find consensus. The question of public accord will arise with even greater necessity and that means that an economic policy program will be needed which reflects the interests of Russia's citizens and the requirements of our country's economic development.

This program, based on the positive results of the past period and taking into account errors and shortcomings in the implementation of reforms, must be aimed at the creation of a mixed, socially oriented, dynamically developing market economy with a considerable and constructive role for the state in its regulation. Recently debate has focused mainly on vexed questions to which there is no objectively correct answer but there are the positions of different political forces. On these problems there is always the possibility of political choice and if we travel that road we shall never reach the truth.

But the state's economic policy is not limited to such questions. There are Russia's national interests, there is the direction of reforms which can improve the overall position of the country and its citizens. These tasks are common to all participants in the political process and they can and must become the basis for consensus on questions of economic policy, a guarantee that reforms will make headway in the interests of all Russian society.

Economic reforms are not an aim in themselves but a means of ensuring the stable growth of prosperity and fitting conditions for our people to live but in resolving social questions it is important to avoid extremes. On the one hand we must not view the social sphere as all-encompassing social security. On the other we must not mislead ourselves and citizens with unfeasible social programs which can only ruin the country. Without the development of support and protection for domestic production and its intellectual potential in the form of our intelligentsia we shall not resolve difficult problems like the stabilization of the economy. The law on the subsistence minimum is a key one for resolving social problems. Without this law we cannot speak seriously of a social policy yet 60 trillion rubles [R] would be required for it in the form in which it has been prepared and adopted! Neither the federal nor the regional budgets have this money but the Federation Council members already have sorry experience of the law on veterans, which they adopted almost two years ago but which remains unfulfilled in the majority of

Russian regions since no one has the substantial funds for its implementation today.

To obtain an operating and effective law on the subsistence minimum we must make substantial amendments to financial, budgetary, industrial, and agrarian policy and improve the content and forms of the state regulation of the entire economic and social sphere in our country. That is a mater that will take more than one day or even one year. But only with this approach can we speak of the real and long-term solution of social problems in combination with the provision of conditions for the healthy development of Russia's economy.

The Federation Council sees a very important task in drastically improving the quality of the laws which are adopted and creating an integral and stable legal base which ensures conditions for the steady development of the Russian economy. At the present stage of Russia's development a need is felt to move from the elaboration of isolated legal acts to the elaboration of laws and law codes which would not only resolve individual urgent problems of the kind we call focused problems but would also create a stable comprehensive legal base for the long term.

Tax, land, and forestry codes are now being worked on. Their progress is being constantly monitored by designated committees and specialists. We are seeking to ensure that these documents, which have tremendous importance for the Russian economy's development, are adopted as soon as possible. Special importance is attached to the development of two codes, the federative code and the code of laws on the state regulation of the economy, on questions of the implementation of federal relations and the demarcation of functions and powers between the Federation and its components. The Constitution provides only general, framework instructions. In a document of that level it is of course impossible to describe this problem in every detail. But there is an extraordinarily great need to give specific form to questions of the demarcation of functions, powers, and responsibility between the levels of power.

The correction and implementation of economic reform will be linked in one way or another with the participation of state organs in the management of the national economy. But the state's functions and the degree of its participation in this process have not been clearly defined right now and political views have gone in different directions from the extremely unacceptable to the extremely tough. In some cases the state's interference in the economy is unjustifiably strong. In others, on the contrary, the state is failing to undertake actions which society has the right to expect from it.

We believe that it is possible to achieve a systemic approach on this issue only by having a good legal basis which the code of laws on state regulation of the economy could be, defining forms of intervention in particular spheres, powers and the determination of economic policy, and the procedure for collaboration with participants in the economic process. We intend to perform the necessary work to ensure that the Federation Council together with the State Duma comes out with the legislative initiative to develop these two laws of very great importance to Russia. Right now creative work is particularly necessary for the sake of Russia and for the sake of our people.

Russia: Central Bank Voices 'Surprise and Regret' at Yeltsin Edict

MM0706155996 Moscow FINANSOVYYE IZVESTIYA in Russian 7 Jun 96 p i

[Report by Vladimir Kovalevskiy: "Bank of Russia Again Forced To Make Money From Thin Air"]

[FBIS Translated Text] Boris Yeltsin has signed the law adopted by the Federal Assembly "On Transferring the Profits of the Central Bank of the Russian Federation to the Federal Budget." Central Bank First Deputy Chairman Sergey Aleksashenko expressed his surprise and regret that the president had approved a document which contravenes Article 75 of the Constitution and the Law "On the Central Bank of Russia." The Central Bank board of directors will discuss the situation this Saturday.

The transfer to the budget of 5 trillion rubles of resources from the Central Bank's balance for 1994 that actually do not exist undermines the independent summation of the country's chief regulating center for monetary and credit policy. On the other hand the Central Bank board of directors will have to take into consideration the fact that the practice of replenishing the budget out of the profits of central banks exists in other countries.

Mstislav Afanasyev, first deputy chief of the government working center for economic reforms, considers that there is at least something strange about the fact that while the Central Bank, which is a state institution, actually handles commercial transactions (for example it purchases short-term state bonds from the Finance Ministry), it does not pay any tax on the profits from them. This, of course, is not the Central Bank's fault, but rather a weakness of the existing legislation. It also seems strange that the law in question deals with the profit for 1994. In the opinion of Mstislav Afanasyev and other observers it is obvious that a problem does exist, but it should not be resolved in a hasty manner but by taking stock of all the existing points of view on this issue.

At present the Central Bank can do nothing other than print the 5 trillion unsupported rubles. Starting with the government's submission and parliament's approval, Boris Yeltsin has given more than adequate grounds to doubt the consistency of Russian economic policy.

Russia: 'Consequences' of Central Bank Taxation Viewed

MM0706110096 Moscow IZVESTIYA in Russian 6 Jun 96 p 2

[Report by Irina Yasina of the PRAYM agency: "Independent Central Bank Exists in Our Country for 420 Days"]

[FBIS Translated Text] The State Duma's adoption of the law "On Transferring the Russian Federation Central Bank's Profits to the Federal Budget" brings to an end a brief period of independence for the Central Bank, according to Sergey Aleksashenko, first deputy chairman of the Central Bank. The law "On the Russian Central Bank," adopted in the same building on Mokhovaya last spring, reserved for the Central Bank the functions of main regulating center, fully responsible for the state of the Russian monetary unit and banking system.

The revision of the perfectly civilized decision of a year ago was occasioned, as ever, by a good deed. The government effectively secured the transfer of five trillion rubles [R] from the Central Bank's reserve fund to the budget in order to spend the money at the earliest possible date on teachers' pay and on travel expenses for inhabitants of the Far North. But, as we have known for a long time, the road to hell is paved with good intentions. One can understand the deputies of the CPRF and People's Power factions who, as recently as two days ago, at a session of the Duma budget committee opposed a law giving appreciable advantages to one of the presidential candidates.

Just try to say it publicly: I am against paying the teachers their wages. No deputy is prepared to do that. Particularly for the sake of such an ephemeral thing as the Central Bank's independence. But one wonders whether that independence is really worth less than R5 trillion. The problem is that, like many other achievements of the reforms of the past five years, it is rather difficult to assess. But you can try, and the simplest way is to do so by making comparisons. For example, in neighboring Ukraine the Supreme Council is constantly making decisions which made it incumbent on the National Bank to issue particular quantities of money. Clearly that is why for a long time karbovantsi have been counted in trillions and quadrillions. In Russia, until very recently, under the law the Central Bank was entitled not to implement similar decisions.

Give the government and Duma their due: They did not insist strongly on a further issue. Even the president, in his edict, recommended but did not order the transfer of Central Bank profits to the budget. But with the approach of the election the situation changed, and pressure on the Central Bank became stronger and stronger. Now, logically speaking, the State Duma should take responsibility for the state of monetary and credit policy in the country. I venture to suggest also that, since human beings are forgetful creatures, the fact that inflation was 17.8 percent a month in January 1995 has been forgotten just as quickly as voters forgot what empty shelves were like. This May inflation was 1.5 percent. And the independent Central Bank deserves a great deal of credit for that.

The consequences of the adopted decision will probably soon be upon us. In the first place, we can be sure that the next tranches of the 10-billion IMF credit are sure to be suspended, since Russia is clearly exceeding the limits of the monetary program, which does not provide for an issue of R5 trillion. Second, according to Sergey Aleksashenko, the financial market will probably also react to the issue. The reduction of Central Bank reserves will also affect the stability of the banking system. After all, it is from there that the sacrosanct trillions will be drawn, since the 1994 profit, whence it was proposed to transfer the money in accordance with the original text of the draft law, was distributed long ago.

What is done is done. The Federation Council was expecting the voting in the Duma to be completed early in the morning, in order to be able to approve the documents immediately on their arrival. There is no doubt that the president will quickly sign the law.

Russia: Banks Gearing for 10 June Rush of Elderly Savers

MM0706135296 Moscow IZVESTIYA in Russian 7 Jun 96 pp 1-2

[Report by Yuliya Ulyanova: "Wait Till Monday, Old People. Savings Bank Starts Repaying Debts 10 June"]

[FBIS Translated Excerpt] Lines have been appearing at Russian Federation Savings Bank branches since the beginning of June. Elderly people have decided to prepare in advance for the long-awaited day of 10 June when compensation on savings will start to be paid countrywide. To people aged 80 and over. Precise lists are being compiled, as happened in the notorious Soviet era.

This will obviously happen everywhere despite the efforts by the Savings Bank leadership and its branches to reassure people by saying that every saver will receive a personal invitation to come for his money. Special plaques were put up in many Savings Bank branches in Moscow as early as 4 June reading "Savings Compensation Consultant...." There are a host of questions. Savings bank branch personnel assured us that the help lines do not stop ringing for a minute.

The Savings Bank has advised its branches to systematically issue people with invitations. But Lidiya Karavaychikova, head of one of the Moscow Savings Bank's largest branches on Ulitsa Chekhova, believes that no matter how they plan everyone will turn up at once. First, because, no matter how the order of priority is organized — by account number or in alphabetical order of the savers' surnames — there will be people who are unhappy with the order. Second, people will be reluctant to wait even a day to receive their money barely a week before the election.

Savings Bank branches are ready for pandemonium and will pay money on the first demand without reference to any invitations, IZVESTIYA was told by Galina Belyakova, deputy head of the Savings Bank's Economic Administration. "Elderly people should not worry about how physically difficult it will be for them to obtain their compensation," she said. "According to our information, there are around 300 candidates able to receive compensation for each Savings Bank branch in Moscow and between 50 and 80 in smaller cities such as Ivanovo or Kostroma, for instance. Even the large Moscow branches, which have around 1,000 savers due preliminary compensation, will be able to mobilize all their efforts and, if necessary, pay citizens forthwith." [passage omitted]

Russia: Inkombank Hails Loan Deal With Western Banks

MM0706152796 Moscow TRUD-7 in Russian 7-13 Jun 96 p 16

[Report by Rudolf Kolchanov: "Inkombank: We Have Won the West's Confidence"]

[FBIS Translated Text] Bonn — The work took five months. At first the Western banks offered a loan of $15 million for six to nine months at over 16 percent. They insisted on the condition that in the event of a political risk in Russia, as a result of the presidential elections, for example, the creditors could withdraw this figure entirely.

Instead the figure achieved is $20 million for one year at a considerably lower interest rate. With no conditions irrespective of political risks, and before the presidential elections. This is a credit of confidence from British, French, Austrian, and German banks.

I talked at Inkombank's German office in Frankfurt with V. Vinogradov, its president, V. Groshev, chairman of the observers' council, S. Bochkarev, vice president and general representative in Germany and Austria, A. Dzhafarov, general director of Inkomfinansgrupp AG, and V. Dubrovskiy, the project organizer. I asked questions about the recently signed contract, the bank's merits and plans, and work problems. Here is the essence of the conversation to which they all contributed.

[Kolchanov] This is the first time that a Russian commercial bank will have received an unsecured loan of $20 million for one year from a syndicate of 10 leading European banks. This is clear evidence of confidence in Inkombank. On what is it based?

[Unidentified interviewee] Winning confidence takes years of consistent, hard work. The West did not receive us with open arms at first. First they said no, then they began to say yes; they would not give us money, then they began to give us money. On a secured basis, then with minimum security. Now the loan is in "real" money, $20 million, and is not tied to a specific deal. Without any security. The confidence is founded on our transparency: It is clear where Inkombank is getting the money, where it is being invested, why we are losing money, and where we are going wrong. We are conducting an international audit for the fifth year in a row and are making consistent progress toward international standards.

Inkombank now offers its clients the same range of services as the major Western banks. This includes traditional services and services which are unusual in Russia. They include client asset management, letters of credit and dealing services, and project financing. There is a clear trend toward the growth of clients' resources including the population's deposits on the bank's balance sheet. All this is evidence of growing confidence both within the country and abroad.

[Kolchanov] It is important that the contract has been signed before the Russian presidential elections. This suggests not only confidence in your bank but also in the prospect of the Russian economy's development.

[Unidentified interviewee] Such long-term confidence gives us hope of successful new agreements. After making the first interest payment in December we will prepare another loan like this. The Western banks are showing great interest.

[Kolchanov] How will the loan funds be used?

[Unidentified interviewee] Our bank's portfolio contains projects which need extra funding: We can use the money for an oil refinery in Mariy-El, for example, or for a metallurgical enterprise in Samara. We are planning to participate in the development of a modern cellular communications system and we will be using the loan to finance the short-term investment and commercial operations of the prime cooperative clients and the most reliable types of banks.

[Kolchanov] Confidence in future success is often based on past achievements. Can you mention some projects supporting the Russian economy that have been implemented by Inkombank?

[Unidentified interviewee] If we had not become involved in the ferrous metals industry it would have been in a far worse state than it is now. These are not major investment projects at the moment. But we are supporting the defense industry to the tune of hundreds of millions of dollars. In addition, there are some other investment projects. Four years ago we gave support to the Orsk-Khalilovsk Combine, it is in operation now and there are grounds for expecting growth. Or take the rolled aluminum plant in Samara which employs over 10,000 people. Warplanes and civil airliners — this enterprise once used to produce all the metal for them. Things are not easy now. We aim to convert to civilian output for the construction industry, the automobile industry, and the food industry. We also aim to expand the production of rolled aluminum in goods for sale in the U.S. and other foreign markets.

Inkomfinans, our subsidiary, helped Elektrostal with the financing of purchases of urgently needed nickel. Or take the Babayev factory. We acquired it five months ago. Three projects have now been published, two of which involve the leasing of extra equipment. Labor productivity is rising and prime costs for chocolate candies, among other things, are coming down. We have begun caramel production. The firm's management is working on the formation of a confectionery holding company. When the five firms belonging to the holding company reach the planned level production capacities will triple. We will limit competition from foreign suppliers.

[Kolchanov] Investments are proving very difficult for a variety of reasons. Investments require long-term resources. So far it is possible to talk about attempts by the leading private banks to support industrial firms.

[Unidentified interviewee] That is true but there is a gradual process in which commercial banks gain access to long-term market funds. Inkombank is trying to make consistent and determined progress in this direction.

[Kolchanov] One more point. Before perestroyka the country suffered the consequences of unfinished projects. One was the customer, another provided the finance, a third was supposed to utilize the acquisition. Output worth billions in hard currency was wasted through negligence.

[Unidentified interviewee] The investment cycle was broken in at least three places. Now we are working with major Russian enterprises and the investment cycle is entirely in our hands. We use our money to buy what is needed. We supply it where it is needed. We will not let things go to waste but will install them immediately after delivery so that investments yield a return straight away.

Russia: Oil Industry Prospects, Strategy Viewed

MM0706111596 Moscow RABOCHAYA TRIBUNA in Russian 31 May 96 pp 1, 6

[Article by Aleksandr Kucherenko under "Russia's Oil Strategy" rubric: "Who Will Be Rolling in 'Black Gold'"]

[FBIS Translated Text]

What We Have

In the past two decades Russia has confidently occupied one of the leading places among the oil-producing countries. Known reserves of "black gold" today stand at over 25 billion tonnes — second place in the world and 13 percent of all world reserves. Less than in Saudi Arabia — the recognized "oil" champion. But the Arabian Desert has been investigated far and wide, and the probable reserves of hydrocarbons there have been estimated with an accuracy down to 1 billion tonnes. They cannot hope to discover new rich deposits.

Unlike the oil kingdom, we still have millions of square kilometers of land beneath whose surface instruments have not probed and where no geological researcher has set foot. Particularly in West and East Siberia and the Far East, but also in the European part of Russia. Over the past four years, despite a sharp reduction in funding for prospecting work, 184 oil fields have been discovered. But the main discoveries are still to come.

Last year oil companies extracted just over 300 million tonnes of oil, most of which was refined at 28 Russian oil refineries and five oil mills. Compared with the previous year, extraction fell by 6 million tonnes, mainly due to the lack of effective demand. Nevertheless, the fuel and energy complex provided the country's national economy with the necessary fuel resources and energy. Oil extraction workers and oil refinery workers worked particularly well.

Obligations to foreign partners were also fulfilled. We could have extracted and refined more oil, but, unfortunately, the falling demand for "black gold" and for petroleum products prevented this.

From Extraction to Sale

The fulfillment of Russian Presidential Edict 1403 of 17 November 1992 on the creation of large, vertically integrated companies in the oil industry was a big success for the whole collective of the Russian Federation Ministry of Fuel and Energy.

They have been formed according to the complete cycle principle — extraction, refining, and sale of the finished product. They operate independently on the domestic and foreign markets, in a competitive "environment." The improved efficiency of the oil companies' work is already quite noticeable. The securities market has been invigorated by the oil industry' privatization. Lukoil, Yukos, Sidanko, and other oil companies have managed to win considerable prestige in the country and abroad. Their creation has undoubtedly stabilized oil extraction and refining in some places and dramatically slowed up the slump in other places.

And yet it has to be admitted that oil extraction and refining are now going through hard times. An increase in hydrocarbon reserves is not being ensured. Work on prospecting for deposits has been funded very poorly in recent years. The necessary normative base is being created only slowly at both regional and federal level ([legal norms] on the earth's resources and minerals, on attracting foreign and Russian investments, developing the oil-extracting and oil-refining industries, etc.).

Nonpayment Troubles

As of 1 February this year, debts owed by consumers reached the astronomic sum of 105 trillion rubles [R], while those owed to creditors were R22 trillion less. During just one month — January — the debts owed by debtors increased by R16 trillion, or almost 20 percent. The oil industry is, in point of fact, providing huge amounts of credit for free.

But to whom? It would be good if these resources went to develop other sectors of industry, agriculture, and the social sphere, not to preserve unprofitable production processes, etc. The continuous growth of debtors' debts is worsening the financial position of oil companies and causing the already meager investments to be reduced. It happens that there is nothing with which to pay oil workers' wages. The other side of the problem is the tax vise which "squeezes" almost the last money out of production. The ministry endeavors to meet the interests of society and of the state. The rate of collection of taxes in the oil industry is the highest in the country — 84 percent. If everyone paid like this, production and people's well-being would soar.

And yet the fuel and energy complex provides 34 percent of the federal budget receipts and 42 percent of the country's currency proceeds. Figuratively speaking, it is like Atlas, supporting the country's whole economy on its shoulders.

It is necessary to combat nonpayments. And far more actively than is being done at present. For we are cutting the branch on which we are sitting or killing the goose that lays golden eggs — the raw materials complex. In this matter oil workers not only pin hopes on the country's top leadership and legislators but are also endeavoring to do everything possible themselves to resolve the problem of nonpayments by their own efforts. The first financial- industrial group, which includes banks and enterprises from Moscow and Tatarstan, is being set up on the initiative of the Ministry of Fuel and Energy. The ministry is also a pioneer in the creation of share investment funds, which will help optimally to redistribute funds among the players in the sector.

More About Taxes

According to various calculations, the share of tax payments in the price of a tonne of oil extracted by Russian companies today stands at 62-68 percent. To these figures must be added the payments aimed at clearing old debts.

The money that is left is frequently insufficient to meet minimum current needs. You would think that, considering the oil industry's importance to the development of the whole country's economy, it would be possible to lighten the oil workers' tax burden. But instead we have gotten Government Decree 479, which stipulates that the rate of oil export duty is halved as of 1 April this year — from 20 to 10 ECU's per tonne. At the same time the base excise rates will be increased from R39,400 to R55,000 per tonne. Export duty will be abolished altogether as of 1 July, while the excise rate will increase to R70,000 per tonne with subsequent monthly indexation depending on the dynamics of the dollar rate. Oil workers regard this document not as reducing the tax burden but, on the contrary, increasing it. In the opinion of several leading oil companies, the reduction of oil export duties is merely for show. They reckon that the change in the excise rate will actually lead to a 50-percent increase in taxation compared with the former amount.

Under such conditions, and also given the currency band, exports become unprofitable, and the domestic market contracts owing to the fall in effective demand. Despite this, every effort will be made to at least keep the foreign and domestic markets at the former level.

About Investments

Let us not make a secret of the fact that, in order to preserve the present level of extraction of energy resources and to attract investments so as to open up unworked reserves on a commercial basis, big funds are needed.

The annual financial requirements of the oil and gas industry, just to stabilize extraction at the present level, total approximately $10 billion. But everyone knows the country's grave financial position and the lack of opportunity to meet such requirements out of the budget, as used to happen. Under conditions of nonpayments the oil companies do not have enough resources of their own. The unstable economic situation also affects opportunities for attracting the considerable funds accumulated by Russian banks into investment programs. Therefore the Russian Ministry of Fuel and Energy and the sector's joint-stock companies are carrying out active work to attract funds from international financial organizations and foreign investors and partners into the oil-extracting and refining industries.

Two oil rehabilitation loans from the International Bank for Reconstruction and Development [IBRD] are now being realized. The first (in the sum of $610 million) is intended to help overcome the slump in oil extraction by obtaining an additional 10-12 million tonnes of oil annually — which will amount to 3 percent of the volume of extraction in the country and produce an increase of $1.5 billion a year in currency receipts. Funds have been allocated to West Siberian joint-stock companies — "Varyeganneftegaz," "Kogalymneftegaz," and "Purneftegaz."

The second IBRD loan of $500 million provides for funding for deliveries of equipment and services with a view to restoring idle wells in three joint-stock companies ("Tomskneft," "Megionneftegaz," and "Yuganskneftegaz"), resuming oil extraction from them, and resolving ecological problems. An agreement on granting a third loan of $500 million for joint ventures to work the Northern Ob Oil Field with the participation of the "Yuganskneftegaz" Joint-Stock Company and the U.S. Amoco Company is being prepared for signing.

Agreements on output sharing when opening up new deposits constitute a promising source of investments. A law on this has been adopted. Agreements have already been prepared under the "Sakhalin-1" project between Russia and a consortium of two foreign and two Russian companies and the "Sakhalin-2" project between the Russian Federation and another consortium. A project to open up the Timan-Pechora Field will ensure major investment (over $30 billion).

The Ministry of Fuel and Energy has adopted and is now implementing a major program to reconstruct and modernize our oil refineries. Within its framework big new plants have already been commissioned at the Moscow and Omsk Oil Refineries. The ministry is carrying out great work to attract foreign investment in oil refining. Weighty results have already been achieved here. The U.S. Econombank has concluded three treaties with Russian oil refineries. Credits have been granted to "Nizhegorodnefteorgsintez," "Permnefteorgsintez," and "Yaroslavnefteorgsintez." "YaroslavNOS" has also received a credit from Japan's Econombank in the sum of $200 million. Nine more credit projects based on applications from our oil refiners are being agreed with the U.S. Eximbank. It is possible to cite as an example the "Angarskaya Neftekhimicheskaya Kompaniya" [Angara Petrochemical Company], which has drawn up a long-term program for the full modernization of production (it is designed to take eight years and is valued at $2 billion). The company plans to attract credit from the U.S. Eximbank already in this half-year, and the Ministry of Fuel and Energy is doing all it can to help it.

Funding by means of IBRD credits for projects to modernize Russian oil-refining enterprises so as to increase the depth of oil refining is now being examined. An increase of 10-20 percent would save 170-180 million tonnes of crude oil a year. We intend to continue expanding cooperation with foreign investors in the sphere of oil refining, as this is a mutually advantageous and promising matter.

There Is Work for the Military-Industrial Complex

Foreign credits to develop the oil-extracting industry provide for between 30 and 50 percent of the equipment to be purchased from Russian manufacturers. The struggle for this money must stimulate the Russian defense industry to participate in projects. This equipment includes practically all kinds of drilling equipment, well repair units, pumping units, pumps, platforms, etc. Also equipment for laying major new gas pipelines — Yakutia-China-South Korea and Yamal-Belarus-West Europe; for increasing gas deliveries to Turkey, and a number of other projects. There is great scope for Russian machine builders also in connection with the current modernization of the Russian oil-refining and petrochemical industries.

There is, however, no particular activity or noticeable successes to be observed in securing orders by way of credits from Russian machine-building enterprises and defense enterprises. There are various reasons for this situation. There is the lack of experience of involvement in auctions conducted by international institutions or simply elementary ignorance of the rules for holding auctions, of their timing, and of the lots being put up, incorrect drawing up of documentation, Russian enterprises' lack of international certificates of conformity with API [American Petroleum Institute], ISO [International Organization for Standardization], and BS [British Standard] world standards for the equipment being produced, poor quality, and inflated prices. As a result, the number of Russian enterprises that have won World Bank tenders remains insignificantly small.

The ministry also promotes private investments. A statute has been drawn up which creates conditions for forming small joint-stock firms in the oil-extracting industry. Such enterprises are already working and investing money in production, not just letting the money sit in banks.

People frequently ask: What is the reason for the slump in oil extraction? Let us not go into the details — the chief thing is the solvency deficit. The result is an excess of petroleum and petroleum products on the domestic market. Only with production growth in other sectors of our economy will our consumers gain money, and there will be increased demand. This will stimulate growth in extraction and refining of "black gold."

International Affairs

Ukraine: Kuchma's Visit to Central European Summit Previewed

*WS0706133196 Kiev UKRINFORM in English
1325 GMT 7 Jun 96*

[From the "Current Events" feature]

[FBIS Transcribed Text] According to reports by a UKRINFORM Kiev correspondent, Ukraine's President Leonid Kuchma will participate in an informative summit of heads of Central European nations which will take place in the Polish town of Lancut from June 7 to 8. As senior Ukrainian Foreign Ministry officials disclosed at a press briefing on June 4, issues to be discussed at the meeting include European countries' common responsibility for the future of a united Europe. The leaders with also participate in a live television debate on "Common Europe." A number of bilateral meetings are also expected to be held within the framework of the summit. While in Poland, the Ukrainian president is also scheduled to meet with Polish President Aleksander Kwasniewski, German President Roman Herzog, Austrian President Thomas Klestil, and Hungarian President Arpad Goncz. Mr. Kuchma is also expected to meet with representatives of the Ukrainian community in Poland.

The informative summit of heads of Central European nations is the latest in a series of informal high-level bilateral and multilateral informative contacts. Ukrainian President Kuchma's first ever participation in the summit comes about one week after Ukraine's admission into the Central European Initiative on June 1.

Ukraine: Kuchma Wants Ukraine To Be Bridge Between NATO, EU, Russia

*LD0806152196 Kiev UNIAN in Ukrainian
1415 GMT 8 Jun 96*

[FBIS Translated Text] Lancut (Republic of Poland) — The setting up of a security structure in Europe is the most important issue for the entire European community, Ukraine's President Leonid Kuchma said during a debate on the future of Europe [at a summit of presidents of Central European countries]. The Ukrainian leadership shows understanding of the fact that the majority of countries of the former socialist camp wish to join NATO, and this is their right; however, "this process should be evolutionary and it should be part of the all-European integration," Kuchma said. "We can build our common home — Europe — under the only condition that a unified security system is built for the entire European continent," the Ukrainian president said. Kuchma pointed out that at present this could not be done without Russia. Kuchma believes that nonaligned and neutral countries should play a more active role in the process of reaching understanding. "In current conditions, I would like Ukraine to be a linking bridge between NATO, the European Union, and Russia," Kuchma said. He cited German President Roman Herzog, who said that "Europe is now so small that it would be absolutely inexpedient to leave Ukraine outside the processes taking place on the continent."

Ukraine: Kuchma: No Prerequisites for Ukraine's Accession to NATO

*LD0806152996 Kiev UNIAN in Ukrainian
1420 GMT 8 Jun 96*

[FBIS Translated Text] Lancut (Republic of Poland) — There exist neither the economic nor the political prerequisites for Ukraine's accession to NATO, Ukrainian President Leonid Kuchma told a news conference on the outcome of the summit of presidents of Central European countries. He stressed that Ukraine's current stance on its accession to NATO satisfies all sides involved.

According to a UNIAN correspondent, Kuchma emphasized that "Ukraine could announce its wish to join NATO, but this wo[illegible] be just a declaration."

Ukraine: Moroz, Polish Counterpart Discuss NATO Expansion

*LD0806111696 Kiev UNIAN in Ukrainian
0940 GMT 8 Jun 96*

[FBIS Translated Text] Budapest [no date as received] — Oleksandr Moroz, chairman of Ukraine's Supreme Council, who is currently taking part in a conference of heads of parliament of European countries, has had a conversation with the Polish Sejm Speaker Jozef Zych.

According to a UNIAN correspondent, the meeting was mostly devoted to NATO's eastward expansion. Moroz said "it is difficult to reach similarity of stands on this issue." He said the idea of expanding the zone of nonaligned, nuclear-free countries "has not yet siezed the conscience of politicians in Central and Western Europe."

At the same time, Moroz said that his Polish counterpart showed understanding of the stance taken by Ukraine, which is not interested in NATO establishing its borders along Ukraine's borderline.

Moroz pointed out the need to step up the role of parliaments in the development of democracy and establishment of a system of European security and peace.

Moroz and Zych agreed that Ukraine and Poland were "moving in the same direction on the way toward European standards," reforming their economies, political structures, and state power bodies.

Ukraine: Moroz, Romania's Gherman for Signing Treaty 'Without Delay'

LD0806112296 Kiev UNIAN in Ukrainian 0940 GMT 8 Jun 96

[FBIS Translated Text] Budapest [no date as received] — Oleksandr Moroz, chairman of the Supreme Council of Ukraine had a brief conversation with Oliviu Gherman, chairman of the Romanian Senate within the framework of a conference of heads of parliament of European countries.

Moroz told correspondents that it was necessary to sign a large- scale political treaty between Ukraine and Romania. The sides spoke in favor of signing this document without delay, the head of Ukraine's Parliament said.

At the same time, he stressed that the Supreme Council would ratify this treaty under the only condition that it did not contain any reservations on both sides as regards revising any of the treaty's norms in the future. Moroz said his Romanian counterpart abided by the same opinion, "and this instills hope that the political treaty can be signed ahead of schedule."

Ukraine: Multinational Military Exercises End in Lvov

LD0806175796 Moscow ITAR-TASS in English 1757 GMT 8 Jun 96

[By Galina Nekrasova]

[FBIS Transcribed Text] LVOV, June 8 (Itar-Tass) — An international military exercise, Peace Shield '96, ended on the Yavora training grounds, 30 kilometres from Lvov, on Saturday.

The exercise involved nine countries — Bulgaria, Moldova, Poland, Russia, Romania, the United States, the Czech Republic, Slovakia and Ukraine.

The political significance of the exercise was underscored by the fact that the opening ceremony was attended by the defence ministers of 12 countries.

For a week, the military of the nine countries lived by a scenario which revealed a striking resemblance with the recent war in Bosnia.

Speaking at a press conference, Chairman of the Joint Chiefs of Staff John Shalikashvili noted that a decision had been adopted to hold all future multinational exercises in this region.

Touching on NATO's possible expansion, Shalikashvili said that irrespective of whether or not such expansion takes place, military cooperation between the alliance and other countries should continue in the interests of peace and stability in Europe and the world.

Yuriy Bukreyev, the chief of the main staff of Russia's land forces, said in an exclusive interview with Itar-Tass that NATO's expansion to the East would absurdly increase the existing imbalance in Europe not in Russia's favour.

He stressed that neither the political leadership of Russia, nor its military, nor people support the idea of NATO's enlargement.

Ukraine: Ukraine Will Not Admit Russia's Zatulin to Crimea

MK0706131196 Moscow NEZAVISIMAYA GAZETA in Russian 7 Jun 96 p 2

[Report by O.N.: "Zatulin Intends To Sue Ukraine's Foreign Ministry"]

[FBIS Translated Text] As your NEZAVISIMAYA GAZETA correspondent was advised at the Institute of the Diaspora and Integration Studies, the institute has received yet another note, dated 27 May this year, from the Ukrainian Foreign Ministry to the Russian Federation Embassy in Ukraine. The note justified the earlier decision by the Ukrainian side not to allow Konstantin Zatulin, director of the Russian Institute of Diaspora and Integration Studies, to arrive in Crimea. Mr. Zatulin is allegedly guilty in that "during his sojourn in Crimea in March through May 1995, as head of a State Duma delegation, he repeatedly made unfriendly comments about Ukraine and its leadership, and committed actions aimed at destabilizing the situation in the Autonomous Republic of Crimea and, furthermore, he took part in unauthorized rallies." In this connection Konstantin Zatulin said: "I am finally coming to the conclusion that the dispute over the right of freedom of movement, as well as other rights of Russian citizens, should be referred to a court of law — first Ukrainian and then, if necessary, international."

National Affairs

Ukraine: Premier Wants Constitutional Guarantees for Land Ownership

LD0806162196 Kiev UNIAN in Ukrainian 1410 GMT 8 Jun 96

[FBIS Translated Text] Kiev — "The time has come to provide a fundamental solution to the problem of land ownership, which so far has received a great deal of political noise instead of a sober approach," Prime Minister Pavlo Lazarenko said on 8 June, addressing an international conference on the progress of economic reforms in Ukraine.

He welcomed the approval of Ukraine's draft constitution in the first reading, which, he said, gave reasons to hope that "the right of ownership would be constitutionally guaranteed."

"There is no going back," the prime minister declared. With the adoption of the Constitution, the urgent problem of ownership will be solved already this year, marking "the greatest achievement" of recent time, Lazarenko said.

Ukraine: Kuchma Calls For Greater Responsibility of Journalists

LD0706172696 Moscow INTERFAX in English 1520 GMT 7 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Leonid Kuchma is convinced that Ukraine needs today more than ever journalists who serve the state and the people, not individual politicians. He spoke in Kiev at a meeting with media representative on the Day of Ukrainian Journalists.

"As a president and citizen I would want to see the Ukrainian press, television and radio a more mobilizing and effective social force and journalists more responsible to their own conscience and the people," Kuchma said.

In his opinion it is futile to count on a truly free press in a democratic state without resolving such problems as high delivery rates, the absence of laws regulating the operation of the media, the absence of protection of journalists.

Under Kuchma's decree 21 media representatives were declared merited journalists of Ukraine.

On Thursday Kuchma attended a session of the organizing committee for festivities on the fifth anniversary of Ukrainian independence which will be marked on August 24.

At the session the president stressed that the anniversary will be very important for the further development of social and political processes in Ukraine and the attitude of the rest of the world to it.

Kuchma also spoke of the historic significance of the anniversary.

He said the main purpose of the festivities is to strengthen unity and find reserves to further fortify the Ukrainian state. The president called for recognizing the current economic potential of the country in planning festivities.

The session decided to form a working group for anniversary festivities led by Deputy Prime Minister Ivan Kuras.

Ukraine: Kiev To Open Up Strategic Industries to Foreign Investment

LD0706173996 Moscow INTERFAX in English 1705 GMT 7 Jun 96

[FBIS Transcribed Text] KIEV, June 7 (Interfax-Ukraine) — Ukrainian ministries and agencies are to submit proposals within two weeks on a list of strategic companies that will be turned into joint-stock companies with the participation of foreign investors, under a governmental commission resolution approved Friday. The commission's session was chaired by Anatoliy Kinakh, deputy prime minister in charge of industry.

The Ukrainian State Property Fund is to compile the final list, marking priorities, by June 25.

In early July, the commission is to correct the plan of flotation of Zaporozhye auto plant (AutoZAZ) shares and approve a plan of flotation of Nikolayev alumina plant shares.

The Industry Ministry submitted a list of 36 strategic industrial enterprises to the first meeting of the commission, while the Machine-Building Industry Ministry submitted a list of 27 such companies, an Interfax-Ukraine correspondent reports.

Kinakh said strategic industries must be privatized with regard to the economic and defense security of the country. He said the commission intends to cooperate with the presidential National Security Council and the Agency for Restructuring and Bankruptcies.

He named ensuring an efficient use of foreign investments, defining the most rational forms of cooperation with foreign investors, preparing conclusions on optimum forms of privatization, increasing the competitiveness of domestic products and holding tenders among foreign investors as the main tasks of the commission set up under an April 5, 1996, presidential decree.

Ukraine: Wildcat Strikes by Miners in Lugansk Oblast

WS1006080696 Kiev INTELNEWS in English 2326 GMT 9 Jun 96

[FBIS Transcribed Text] Lugansk, June 9 — Wildcat strikes by coal miners for back pay continue to plague the struggling industry and about 2,000 more miners began striking Friday in Krasnodon, Lugansk oblast, according to a report in Friday's KIEVSKIE VEDOMOSTI. Protesting in the town's central square, many miners claimed not to have been paid since this January. About 500 workers of Talovska mine blocked the road to Krasnodon, while 125 miners in Molodohvardiysk town blockaded the Lugansk-Krasnodon highway. According to KIEVSKIE VEDOMOSTI, this action was initiated by the Independent Trade Union of Miners, which is influential on some mines of Krasnodon.

Ukraine: First Russian Ballot Station Opens in Crimea

LD0806133096 Moscow INTERFAX in English 1308 GMT 8 Jun 96

[FBIS Transcribed Text] Simferopol, June 8 (Interfax-Ukraine) — The first Russian ballot station opened in the Crimean capital of Simferopol Friday, Russian consular officer Aleksandr Zheleznikov in Odessa told Interfax-Ukraine.

On the whole, Russia will open 19 ballot stations in Crimea, the rest of them in Black Sea Fleet units in Sevastopol, he said.

"There are no organizational problems," Zheleznikov said. "The Simferopol ballot station set aside a special room for voter's information, electoral commission members are on duty round the clock."

The Simferopol ballot station will be chiefly attended by Russian citizens on a business trip or on rest in local sanatoriums, he said. A total of 550 people voted at this ballot station in December 1995, he recalled.

In addition, Russia will open 23 ballot stations in Ukraine, particularly in Kiev, Kharkov, Odessa, Lvov, Simferopol, Nikolayev, Sevastopol, Feodosia and Black Sea Fleet units.

Ukraine: Hungarian Body on Support for Territorial Autonomy

LD0906202496 Budapest Kossuth Radio Network in Hungarian 1600 GMT 9 Jun 96

[FBIS Translated Text] Support for territorial autonomy as demanded by the Sub-Carpathian Hungarians is also included in the new program of the Hungarian Democratic Federation of Ukraine [Ukrajnai Magyar Demokrata Szoevetseg]. Laszlo Hoffer reports on the document from Kiev.

[Hoffer] Participating in the federation's general assembly held in Kiev at the weekend, representatives of seven ethnic Hungarian organizations in Ukraine took a stand in favor of explicitly including the demand for territorial autonomy in the program, despite the fact that the establishment of an autonomous region cannot be a realistic aim yet. The federation also approved its new basic statutes, according to which the federation's aim is to preserve the national traditions of Hungarians living in Ukraine and to strengthen Hungarian national consciousness. The five year-old federation provides general legal assistance and represents the interest of Hungarians in various ethnic Hungarian organizations.

Ukraine: Crimean Premier: No Right to Referendum on National Issues

LD0706132096 Moscow INTERFAX in English 1041 GMT 7 Jun 96

[FBIS Transcribed Text] Simferopol, June 7 (Interfax-Ukraine) — The right to call a referendum on nation-wide issues is beyond the authority of Crimea's Supreme Council and Government. A statement to this effect was made at a meeting with newsmen on Thursday evening by Crimea's Prime Minister Arkady Demydenko, who was commenting on the Crimean parliamentary resolution on the draft Constitution of Ukraine. Before the Ukrainian Fundamental Law is adopted, "it is illogical to flutter a bugbear of an all-Crimean referendum", the Premier stressed.

The Crimean Parliament, which tabled in Ukraine's Verkhovna Rada a number of proposals to the draft Constitution of Ukraine, stated that, should they be voted down, "it will reserve the right to call a Crimea-wide referendum on the key provisions in the Constitutions of Ukraine and Crimea". A. Demydenko also said that currently, "we have and will have no funds for a referendum". The Head of the Crimean Cabinet described the adoption of the draft Constitution of Ukraine in first reading on June 4 as a "positive step for the state on the whole".

Answering a question about the forthcoming presidential elections in Russia, A. Demydenko said that the victory of Russian Communist Party leader Gennadiy Zyuganov might bring separatist forces in Crimea into action. In the opinion of the Crimean Premier, "communist and socialist trends in Ukraine and Crimea will get an additional impulse to intensify their activities among the population during the forthcoming elections".

A. Demydenko is confident that the growing militancy of the leftists "is leading to confrontation with the right-wing forces, which will bring about instability in the society and the state as a whole".

Economic Issues

Ukraine: Prime Minister Anticipates Breakthrough in Economic Reforms

LD0806133496 Moscow INTERFAX in English 1328 GMT 8 Jun 96

[FBIS Transcribed Text] KIEV, June 8 (Interfax-Ukraine) — The Ukrainian government has anticipated a breakthrough in the implementation of reforms, Ukrainian Prime Minister Pavlo Lazarenko said at an international conference dedicated to Ukrainian economic reforms in Kiev on Saturday.

The Ukrainian government in particular plans to accelerate structural reforms in the economy, privatization and the creation of a favorable environment for investments, he said.

"Achievements on the macro-economic level, including the decrease in monthly inflation to 0.7 percent in May, have not so far been supported by structural reforms on the micro-economic level, on the level of companies," said Lazarenko.

The unbalanced budget has remained "the most serious problem," Lazarenko said. "The government intends to repay back wages to public sector employees [totalling some 60 trillion rubles — IF] during June-July," he said.

"This year should mark a breakthrough in reforms," Ukrainian Deputy Prime Minister in charge of economic issues Roman Shpek said at the same conference. Among the government's key tasks for 1996, Shpek named "scaling back annual inflation to below 40 percent and avoiding inflationary financing."

Ukraine: Budget Problems, Wage Debt Hinder Monetary Reform

MK0806060196 Moscow NEZAVISIMAYA GAZETA in Russian 7 Jun 96 p 3

[Unattributed NEGA report: "Ukraine"]

[FBIS Translated Text] According to Viktor Yushchenko, chairman of the Ukrainian National Bank, the introduction of a [new] national currency will become possible in the second half of this year. Yet, before that happens, budget, agrarian complex, and pension insurance problems are to be addressed.

"There are three options for the introduction of new money in Ukraine," the head of Ukraine's National Bank said yesterday. "The easiest one is the purely technical revaluation of the nominal currency unit." Such reform was undertaken in Poland.

The second option is confiscatory monetary reform, or the exchange of two-thirds of the cash and noncash money supply.

The third option is nonconfiscatory reform, which envisions the denomination and launch of a new currency unit. Noting that the latter option is preferable to Ukraine, although requiring drastic changes in budget and state policy, Viktor Yushchenko said that budget reform is hampered by wage arrears.

Ukraine: Crimean Government Plans for Energy Independence Cited

WS1006090096 Lvov INFOBANK in English 0708 GMT 10 Jun 96

[From the "News Service" feature]

[FBIS Transcribed Text] Simferopol — The Cabinet of Ministers of the Crimean Autonomous Republic has approved a program for the development of the Azov and Black Sea oil and natural gas basin up to the year 2010. The program specifically stipulates that by a certain date the Crimean peninsula should be able to provide for its energy needs independently and that the amount of natural gas extracted should increase several times, some of which will be exported. At present 700 million cubic meters of natural gas is extracted annually on the peninsula and from its surrounding shelf.

The chief of the Crimean government's oil and natural gas industry department, Oleh Ozerny, told INFOBANK that the program has been submitted for approval to Ukraine's Cabinet of Ministers which should consider it in the third quarter of this year. According to Mr. Ozerny, one of the main goals of the program is to attract foreign oil and gas sector investors to the region.

The program provides for three ways in which work can be carried out in the Azov-Black Sea basin. The first involves exploration and exploitation drilling to be carried out from two sea platforms (Syvash and Tavryda) which are already operating on the shelf. In this way the maximum amount of natural gas which can be extracted by 2010 will be 1.66 billion cubic meters. According to the second option, three more drilling rigs would be built which by 2010 should allow for 3.22 billion cubic meters of natural gas and 185,000 tonnes of oil condensate to be extracted. The third option involves obtaining investments from foreign investors and from Ukrainian state-owned and commercial structures for oil and gas extraction in the region of Crimea. This would make it possible to extract as much as 6.21 billion cubic meters of natural gas, 3.3 million tonnes of oil, and 185,000 tonnes of oil condensate by the year 2010.

According to estimates made by experts from the ChornomorNaftoHaz (Black Sea Oil and Gas) state-owned enterprise, the Azov-Black Sea region contains potential resources which add up to 1.2319 billion tonnes of conventional fuel (one conventional tonne being the equivalent of either one tonne of oil or 1,000 cubic meters of natural gas). So far the percentage of gas extraction in this region is 3 percent of the domestic total, but this figure could reach 20 percent.

Moldova

Moldova: 'Verbal Agreement' Reached in Border Talks With Ukraine

AU0706090796 Chisinau BASAPRESS in English 2025 GMT 5 Jun 96

[FBIS Transcribed Text] Odessa, 05/06/1996 (BASA-press) — The third sitting of the Moldovan-Ukrainian joint commission for border delimitation concluded Wednesday with the signing of a series of documents, including the commission's work agenda that has to be approved by the Moldovan and Ukrainian governments.

Ukrainian Vice Foreign Minister Kostyantyn Hryshchenko, head of the Ukrainian delegation, told reporters that the parties reached verbal agreement about 70 percent of borders of a total distance of 120 km, especially on sectors marked by rivers.

The commission did not discuss about the disputed frontier sectors near Giurgiulesti and Basarabeasca.

Moldovan delegation head, Vice Foreign Minister Aurelian Danila, said Dniester representatives might participate in the talks when the eastern borders would be discussed.

Exchange of territories is not ruled out, but the delegations do not have such authority, said Aurelian Danila.

Moldova: Ukraine To Step Up Role in Moldova-Dniester Conflict

LD0806142396 Kiev Radio Ukraine World Service in Ukrainian 1300 GMT 8 Jun 96

[FBIS Translated Text] Ukrainian Deputy Foreign Minister Kostyantyn Hryshchenko held consultations with the leadership of the Republic of Moldova and the administration of the Dniester Region in Tiraspol on 6-7 June. The consultations were devoted to a political settlement of the Dniester Region conflict, the stepping up of Ukraine's activities within this process, and the development of cooperation between the border regions of Ukraine and Moldova, including the Dniester Region.

The Ukrainian Foreign Ministry's press center told UKRINFORM news agency that Hryshchenko met with Moldovan Deputy Prime Minister Valentin Cunev and Deputy Foreign Minister (Shoga). The sides discussed ways of further expanding bilateral Ukrainian-Moldovan relations, in particular, trade, economic, and humanitarian relations, and issues of satisfying the cultural and educational needs of the Ukrainian population in Moldova.

Moldova: Deputy Speaker, Iranian Envoy Discuss Cooperation, Trade

LD0806202496 Tehran IRNA in English 1837 GMT 8 Jun 96

[FBIS Transcribed Text] Chisinau,.Moldova, June 8, IRNA — Mehdi Safari [name as received], Iran's accredited ambassador to Chisinau on Saturday reviewed outlooks for broadening Iran-Moldova relations in their parliamentary affairs with Deputy Chairman of Moldovan Parliament Nicolae Andronic Dumitru Motpan.

The Moldovan official told the Iranian ambassador that his government looked forward to benefiting from the experience of the Iranian parliament in the area of privatization.

Motpan also reminded that the two countries had been collaborating closely in the Inter-parliamentary Union.

The Moldovan parliament is to debate a proposed law bill for founding joint companies with Iran that will facilitate the country's purchase of Iranian oil at two to five million tons per year.

Moldova: PDAM Favors Granting Dniester 'External Self-Determination'

AU0706142596 Chisinau BASAPRESS in English 2025 GMT 5 Jun 96

[FBIS Transcribed Text] Chisinau, 05/06/1996 (BASA-press)— PDAM [Agrarian Democratic Party of Moldova] representatives have suggested giving Dniester "the exclusive right of external self-determination in the event Moldova changes its international juridical status of independent (or neutral) country."

The newspaper of the Chisinau city PDAM organization, ECOUL CHISINAULUI (THE ECHO OF CHISINAU), reported Wednesday that differences between Chisinau and Tiraspol concerning the foreign policy could be removed that way.

The paper proposes to divide "proportionally" the functions in the Foreign Ministry and offer "wide opportunities of territorial economic integration in all directions". Contradictions between Chisinau and Tiraspol about armed forces should be solved by total demilitarization on both banks, and for the beginning the current level of weapons should be frozen.

The protection of "linguistic and cultural minorities' rights" could be solved "by a law on national minorities' rights that would be compulsory for both the center and autonomous regions," wrote ECOUL CHISINAULUI.

Kazakhstan

Kazakhstan: Kazakhstan Shows Consequences of Soviet Nuclear Tests

MS0706130996 London THE TIMES in English
7 Jun 96 p 17

[Report by Max Easterman: "Cries for Help Unheeded as Birth Defects Multiply" — report includes map]

[FBIS Transcribed Text] Three years ago, when I first visited the villages around the former Soviet nuclear test site in northeast Kazakhstan, I saw the horrors of teratogenic births: children with no eyes, grossly oversized heads, mental impairment, and a host of other defects.

There were scores of them in the settlements close to the Polygon, as the test site was called. And then there were the thousands more who were aborted, their remains preserved — many in old Exide battery jars — in the Medical Institute in Semipalatinsk.

Publicly, the Russians insisted that radiation was not the cause; it was malnutrition and other "lifestyle defects". The thousands of cancer deaths they attributed to "brucellosis" and "pneumonia". Three years on, the link between birth defects and exposure to radiation has been "conclusively proved" by Boris Gusiyev of the Semipalatinsk Radiology and Ecology Institute. Professor Gusiyev has laboured under conditions that would have defeated most — salaries paid up to six months late or not at all, and no access to years of research information held by the Russians. But he is in no doubt that what he is now seeing — a constant level of deformed babies four to five times higher than the norm, is due to exposure to radiation; it is now affecting the fourth generation in many families.

I heard first-hand evidence of the cynical approach of the Russians to local Kazakhs, in Sarzhal, about a mile from where some of the tests were carried out. I met Muratkhan Khorganbayev, the former Mayor. He told me how the Russian military would appear a few days before a test, take readings and then vanish again, telling people to stay outside at a certain time in case the buildings collapsed. After the test, they would return with doctors from Semipalatinsk and take skin and flesh samples from a hand-picked group of villagers. They also examined their thyroids. "We were just Moscow's guinea pigs," Mr Khorganbayev said, "and they didn't care what happened to us. We were never consulted about the test site or anything else. Only two of those 30 'guinea pigs' are still alive — the rest are in the ground."

They lie there alongside nearly 600 other radiation victims from Sarzhal. The attitude of the Russian authorities, who took all their diagnostic equipment and research data home when the test site closed five years ago, angers Professor Gusiyev almost more than the damage done to local people.

He admits that Kazakhstan has few experts capable of analysing the millions of files the Russians hold. "But Kazakhstan is a poor country and we could save so much in time, money and effort if only the Russians would open up those files and put their own specialists to work with us. It could be another five generations before the radiation damage begins to work itself out of our genetic systems."

Recently a group of former Polygon scientists did publish some information about the nuclear tests, but this is dismissed by Professor Gusiyev as hypocrisy. "The data are so fragmentary, they are really disinformation. They are a sop to the public, but half-facts like this are no use to us experts. I can only assume they really don't want us to know the truth."

The Russian reluctance to help their former Kazakh compatriots now contrasts with the gradual realisation in America that there is important information to be gleaned from victims of the Soviet tests. The American military put up the money two years ago for Professor Saim Balmukhanov to investigate.

He was one of the first doctors to examine test victims, back in the 1950s, before the KGB shut him up. He has just sent the results of his latest research to Washington. He said: "Radiation has done more than just kill people and deform them. It is destroying their immune systems, and this immuno-deficiency is being passed from generation to generation"

In Sarzhal, as elsewhere, children are born with greatly reduced resistance to disease. The local schoolteacher told me how they are constantly ill, constantly tired and almost all severely anaemic. The tiniest of cuts can take weeks to heal. Many families cannot afford to travel to Semipalatinsk for basic treatment. Their local hospital was closed as an economy measure.

Professor Balmukhanov has no idea how long the immuno-deficiency will take to run its course. "Without treatment, we just can't tell. And there's no money, no equipment, no drugs for the right treatment." He has an even worse fear: "We know there's a lot of plutonium in the soil around the test site. But we have no equipment to measure the levels, so we have no idea what that's doing to people.

"But it must be having some effect; it only takes a minute particle to cause a cancer, and it'll be around for more than 20,000 years — that's its half-life."

Kazakhstan: Paper Details 'Crisis' in Banking System

LD0806150996 Almaty PANORAMA in Russian 31 May 96 p 7

[Unattributed report: "The situation in the banking sector has been deteriorating since the middle of last year and is now critical"]

[FBIS Translated Excerpt] The fourth congress of the Association of Banks of the Republic of Kazakhstan was held on 24 May at Turanbank's out-of-town base. [passage omitted]

Despite the development of new elements of the financial market and the emergence of a number of new financial instruments, it has to be said that there is a genuine crisis in the banking system this year as well.

The reasons were briefly formulated in a resolution by the fourth congress of the Association of Banks, which says that the profitability of banking started to fall sharply at the end of 1993 following the general nonpayment crisis. At the same time, the catastrophic rise in the volume of credits not repaid made banks stop crediting enterprises and attracting capital, and at that time these were virtually the only services they were providing.

Along with this, according to suggestions bankers voiced at the congress, many large banks which formed the backbone of the whole system had been, to be frank, "put there" by the state. According to its chairman, Turanbank, a former state bank, served about 60 percent of the republic's industrial enterprises. When its management was handed over, the new bosses, for whom debts to suppliers and enterprises producing parts or raw materials were the priority, inherited their debts — altogether 800 million tenge. The Karaganda Metal Plant alone owes Turanbank 114 million tenge, but Ispat [the managing firm] does not want to hear about this and the government does not want to know about it. It is the same story with credit guarantees and deposits — old deposits now belong to the new owners of the property and the banks cannot get at them.

The congress resolved to review the legislation and norms governing the banking system and to introduce the necessary amendments to the medium-term program to intensify economic reform and to the program for the reform of the banking sector. But the methods the association is proposing to overcome the banking crisis are not so much businesslike as given for effect. For example, the idea of transferring to the State Rehabilitation Bank the debts of state enterprises and enterprises which have been handed over for management looks somewhat unrealistic against the background of the tough credit and financial policy the government has decided to pursue.

The difference in the views of the government and the bankers made itself apparent in almost all the proposals set out in the resolution of the congress: to introduce amendments to the legislation on privatization of state property which envisage the special right of banks to property being privatized which is in the hands of debtors; to carry out noncash mutual repayments between the state and banks; and also to settle the issue of giving banks stabilization credits for up to a year under Libor, in order to maintain their current credit standing; to allow banks gradual crediting of reserve funds (provisions) which reduce the risk of losses from crediting for the next three years, as a means of avoiding exhausting the banks' own capital; to continue developing general banks in the republic and to allow them to carry out economic activity without being divided into deposit and investment banks; to define a neutral state body to oversee the banking system and create the best mechanisms for keeping a balance; and to consider the possibility of setting up a banking committee within the structure of the Supreme Economic Council of the Republic of Kazakhstan.

Bankers have recently been particularly dissatisfied with the National Bank's campaign aimed at achieving full capitalization. According to Leonid Ablozhey, chairman of the board of KRAMDS [expansion unknown] Bank, the overall capital of Kazakhstan's secondary banks is about $70 million (in some developed countries banks are required to have a minimum capital of $10 million). However, in spite of persistent calls by the National Bank, commercial and financial structures believe it is absolutely impossible for them in their present situation to raise the capital.

Judging by some of the speeches made at the congress, the National Bank's reference to financial monsters merging all over the world, joining forces to increase capital, did not arouse the enthusiasm of local bankers. However, since capitalization is seemingly inevitable, the banks are asking at least for procedure to be simplified. [passage omitted]

Uraz Dzhandosov, chairman of the board of the National Bank, who was the last to take the floor, spelled out his position, and said "the National Bank's general monetary and credit policy and the policy it has pursued since 1994 will be continued, and this is stipulated in the joint statement of the government and the National Bank and in the three-year program for the reform of the system."

Along with this, Mr. Dzhandosov admitted that the state of Kazakhstan's banking sector has been deteriorating since the middle of last year and is now critical. According to the chairman, the problems of the secondary banks can be divided into two groups: those which should be solved with the involvement of the state (not only by the National Bank, but by the president, government, and judicial authorities), and those which should be solved by the banks themselves. The banks' relationship with courts goes into the first group as a separate item. [passage omitted]

The second group of problems will probably increase soon, following the recent adoption of regulations on the procedure for commercial banks' going over to international standards. Mr. Dzhandosov did not give details about how banks going through a serious crisis are to switch to international standards, but he said that by the end of 1998 all bank operations should meet the standards which came into force on 1 June 1996. [passage omitted]

In this difficult situation, both bankers and the National Bank would like to hope that the association will take part in solving most of the problems. One of the association's functions should be to lobby for the professional interests of banks, first and foremost in preparing draft laws and having them considered in parliament, and in training staff and establishing international ties. As a matter of fact, these were the tasks the Association was given when it was being setting up. Now, however, as this professional organization of bankers has started to acquire more definite characteristics — despite the increasing difficulties with funding — the banks are counting on some serious support.

Kazakhstan: Prime Minister Tables Confidence Vote in Government

LD1006101196 Moscow Radio Rossii Network in Russian 0900 GMT 10 Jun 96

[FBIS Translated Text] Prime Minister of Kazakhstan Akezhan Qazhygeldin tabled a confidence vote in the government before the country's parliament today. This decision is connected with the rejection of the draft law envisaging a rise in the pensionable age and also the abolition of several pension benefits. The head of the cabinet noted that the rejection of the draft law was impeding the implementation of the anticrisis program endorsed by the president and was blocking the reform of pension provision. It has been decided to hold a secret confidence vote on 12 June. If the parliament votes for confidence in the government the law will be deemed adopted. If, however, deputies decline to give the government their confidence, the president of Kazakhstan could either dissolve parliament or dismiss the cabinet.

Kazakhstan: Parliament Speaker: Government Will Win Confidence Vote

LD0606193696 Almaty Kazakh Television First Program Network in Russian 1400 GMT 6 Jun 96

[FBIS Translated Excerpt] The Majlis today approved the draft law on traffic safety and ratified a number of agreements.

[Unidentified correspondent] [passage omitted] The Conciliation Commission on the draft law on political parties that was set up earlier made a decision today: For many parties it is henceforth not compulsory to publicize their financial state in the republican press.

Journalists have already called 10 June Day X. Majlis chairman Marat Ospanov agreed to give his own forecast of the development of events in an exclusive interview to the KHABAR agency.

[Begin Ospanov recording] I think that the deputies should be guided by the main thing, which is that the heart of democracy — as parliament is regarded all over the world — should beat in Kazakhstan, too. So, when we vote on the question of confidence in the government we will have to be guided by this main argument, not by the fear that parliament, as a certain number of people, will be dissolved, and not by the fear that certain individual politicians might lose their political authority. The desire to implant parliament in our society as a democratic institution is what we must follow. I think this will be the main argument, and this will decide the government's fate. I think parliament will carry a motion of confidence in the government. [end recording]

Tajikistan

Tajikistan: Russian Forces To Reinforce Tajik-Afghan Border

LD1006105096 Moscow ITAR-TASS World Service in Russian 0816 GMT 10 Jun 96

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Translated Text] Dushanbe, 10 Jun — The group of Russian border troops in Tajikistan can cope with the task of defending the CIS southern frontiers. So said today Aleksandr Tymko, first deputy director of Russia's Federal Border Service and head of the general staff of border troops, who has arrived in Tajikistan on a three-day visit.

He said in an interview to Russian correspondents that the purpose of his visit is to familiarize himself with the operational situation on the Tajik-Afghan border. Tymko said that combat operations usually intensify there during the summer. Consequently, as instructed by the director of the Federal Service, he will see to it that the defense of the border is reinforced.

Tymko described the overall situation on the Tajik-Afghan border as difficult but controllable. He said that the task of the Russian border guards is to control the border so that rebels, smugglers, and others cannot cross it illegally in either direction.

Tajikistan: Protests Over Former Speaker's Plans To Visit U.S.

LD0806162796 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 8 Jun 96

[FBIS Translated Text] Safarali Kenjayev, one of the perpetrators of the civil war in Tajikistan, former speaker of the regime's parliament, one of the commanders of the Sangak [Safarov] Popular Front, and former commander in chief of the Tursunzade Front during the 1992 civil war, has been planning to visit the United States, but international organizations have announced their disagreement with this visit.

A major international human rights organization has sent a message to Grant Smith, the U.S. ambassador to Tajikistan, and expressed its disagreement with Safarali Kenjayev's visit, because, the message says, Kenjayev is regarded as one of the initiators and the main figures in the events in Tajikistan. He must appear before international courts and receive his just desserts.

Tajikistan: Peacekeepers Commander Denies Using Chemical Weapons

LD0706133296 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 7 Jun 96

[From the "Novosti" newscast]

[FBIS Translated Text] The Tajikistan president's press service reported today that some servicemen and militiamen were killed or wounded following provocations by armed groups of the Tajik opposition on 3 and 4 June. Government troops were forced to take appropriate measures, liberate villages in Tavil Dara District, and drive the opposition groups into the mountains. The president's press center also reported that opposition leaders accused the Russian military serving in Tajikistan of using aircraft and chemical bombs in the Pamirs region.

[Begin Mikhail Zavarzin recording, identified by caption as commander of the collective peacekeeping forces in Tajikistan] As commander of the collective peacekeeping forces, I officially state that this claim is unfounded, because the aircraft based in Tajikistan are only performing functions of support for the border troops to prevent bandit formations from infiltrating into Tajikistan across the border, and carrying out a number of peacekeeping functions under the mandate we have. At present, there are no chemical weapons, nor can there be, in the territory of Tajikistan, and this claim is absolutely absurd. [end recording]

Mikhail Nikulin and Boris Aramov, for the Central Asian office of Public Russian Television, from Tajikistan's Pamirs region.

Armenia

Armenia: President Comments on Ties With Georgia

NC0606183096 Yerevan Radio Yerevan International Service in Armenian 1600 GMT 6 Jun 96

[FBIS Translated Text] The visit to Georgia by an Armenian delegation under President Levon Ter-Petrosyan ended yesterday. In a news conference in Tbilisi the Armenian president said the development of Armenian-Georgian relations is of the utmost importance for Armenia, since these relations go beyond politics and are mostly an expression of our common fate. The president said that if a representative of either of these two nations harms these relations he is thus harming his own nation.

According to the Armenian president, such relations between two neighboring countries are of strategic importance. He noted with satisfaction that Armenia and Georgia have surmounted major difficulties and upheaval and attained some stability. Here, the exemplary Armenian-Georgian relationship on every level has played an important role for both sides.

Armenia: Kocharyan, OSCE Delegation Discuss Deadlock in Negotiations

NC0806095296 Yerevan SNARK in English 1610 GMT 7 Jun 96

[FBIS Transcribed Text] Stepanakert, June 7 (SNARK)—Today, NKR [Nagorno-Karabakh Republic] President Robert Kocharyan met with the delegation of co-Chairmen of the Minsk OSCE Conference on Nagorno-Karabakh headed by Valentine Lozinskiy.

After the meeting, Rene Niberg, Representative of the Finnish Co-Chairman, told SNARK that the participants were concerned about finding a way out to end the deadlock of the negotiations process. There is no other way of peaceful settlement of the conflict, he said.

According to Niberg, negotiators propose the belligerents to come to a compromise, but neither Azerbaijan nor Karabakh agree. Nevertheless, they hope that the negotiation process will one day give its positive result.

Armenia: Russian Talks Solve Nuclear Fuel Supply for Power Plant

NC0906083596 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 1108 GMT 8 Jun 96

[FBIS Transcribed Text] Yerevan ("AZG" daily-ARMENPRESS), 06/08/96 — Head of the Armenian Nuclear Power Plant [ANPP] Suren Azatyan returned from a trip to Moscow, Minsk, and Novosibirsk. He said that the problem of nuclear fuel supply for reloading of the plant has been resolved. The sides particularly discussed and accepted proposed mode of payments for the fuel cartridges. The terms of the Russian credit have also been discussed.

Mr. Azatyan also participated in an assembly of representatives of 6 CIS countries in Minsk, to discuss peaceful use of nuclear energy. He made a report about reactivation of ANPP. All sides agreed that Armenia's unique experience in this field should be used.

Experts from several CIS countries then met with the representatives of Euratom in Novosibirsk, to discuss security of maintenance, transportation, and use of nuclear materials.

Armenia: Ter-Petrosyan To Run for Reelection

LD0806152296 Moscow INTERFAX in English 1458 GMT 8 Jun 96

[FBIS Transcribed Text] YEREVAN, June 8 (Interfax) — A congress of the ruling Armenian Nationwide Movement (AOD) in Yerevan Saturday nominated Armenian President Levon Ter-Petrosyan for re-election as such.

Armenia will hold presidential elections in September 1996.

The AOD had been founded on the basis of the Karabakh National Committee in 1990. It includes up to 20,000 active members represented by 849 delegates at the congress.

The AOD has achieved 99 percent of its strategic objectives - regaining independence, settling relations with Turkey and Azerbaijan and technological re-armament since it came to power, Ter-Petrosyan said at the congress.

The Nagorno-Karabakh conflict cannot be solved on the basis of the principle of territorial integrity and inviolability of borders, as proposed by the world community, Ter-Petrosyan said.

Armenia "confronts this principle with every nation's right to self-determination", Ter-Petrosyan stated.

Azerbaijan

Azerbaijan: Aliyev Receives Head of Russian Intelligence Service

NC0706161496 Baku TURAN in English 1500 GMT 7 Jun 96

[FBIS Transcribed Text] Baku/07.06.96/TURAN—On the eve, late in the evening [6 June] Geydar Aliyev received the Director of the foreign intelligence service of Russia Vyacheslav Trubnikov. The press was not allowed to the meeting.

Geydar Aliyev treats the visit of Trubnikov to Azerbaijan as "one more sign of expansion of the co-operation between the two states." He expressed support of the initiative of the strengthening of relations between the intelligence services of Azerbaijan and Russia.

The guest noted that he counted on support of the president in case of strengthening of co-operation with his colleagues in Azerbaijan. According to Trubnikov the intelligence should neither be behind the political processes nor ahead of them. "We co-operate for a long time and our relations should be based on the legal basis of Russia and Azerbaijan," Trubnikov said.

Trubnikov noted that after signing of the agreement between secret services of Azerbaijan and Russia concrete steps in preparation of personnel, exchange of secret information will be made.

Geydar Aliyev underlined that Azerbaijan attaches great significance to the development of relations. He noted that signing of the agreement between secret services of the two countries will promote further strengthening and improvement of bilateral relations.

The Minister of National Security of Azerbaijan Namik Abbasov and the Ambassador of Russia to Azerbaijan Aleksandr Blokhin attended the meeting.

Azerbaijan: Russian, Azerbaijani Special Services To Cooperate

LD0906164796 Moscow INTERFAX in English 1501 GMT 9 Jun 96

[FBIS Transcribed Text] BAKU, June 9 (Interfax) — The recent understanding on cooperation between the special services of Russia and Azerbaijan is verbal. The two sides do not plan to sign an official document on the score, Azerbaijan's National Security Minister Namik Abbasov told Interfax on Sunday.

"This is actually a gentlemen's agreement between the intelligence departments of Azerbaijan and Russia which will coordinate their activities on questions of mutual interest."

The director of the Russian federal foreign intelligence service Vyacheslav Trubnikov visited Azerbaijan late last week and met with republic's president Geydar Aliyev. According to Abbasov, the Russian side advanced the initiative on close cooperation between the two countries' special services and Baku backed the initiative.

Trubnikov's trip was connected with the "need to discuss cooperation in detail," said Abbasov. The special services of both countries will cooperate on such matters as coordinating intelligence activities; combating international terrorism, the drug smuggling and the organized crime and so on. The two sides will also exchange information on how to provide safety for their missions abroad, as well as on the experience in training national security personnel. This cooperation, said the minister, will be strengthened between the two countries' interior ministries and border guard departments.

Abbasov believes that joint efforts and the complex approach to the problem may ensure the success in combating terrorism, drug business and the organized crime. He said that "Azerbaijan cooperate already with special services of other countries and is prepared to cooperate with all those countries which wish to do so."

Azerbaijan: U.S. Congress' Link of Aid to Karabakh Dispute Condemned

NC0806120796 Paris AFP in English 1155 GMT 8 Jun 96

[FBIS Transcribed Text] Baku, June 8 (AFP) — Azerbaijan on Saturday [8 June] condemned a move by the U.S. House of Representatives to link aid to the ex-Soviet republic with direct help for rebels in the breakaway ethnic Armenian enclave of Nagorno-Karabakh.

Agshin Mekhtiyev, director of U.S. and Canadian affairs at the Azeri Foreign Ministry, called upon the Clinton administration and U.S. Senate to prevent the so-called Porter Amendment becoming law.

The amendment, proposed by Congressman John Porter and adopted Friday by the House of Representatives, would ease an earlier ban on all U.S. government-to-government aid for Azerbaijan, but would require the United States to provide one dollar in aid to Nagorno-Karabakh for each seven dollars sent to Azerbaijan.

Akif Pashayev, the Azeri ambassador to Washington, told AFP by telephone that he did not rule out the possibility of Azerbaijan refusing the aid, estimated at about 25 million U.S. dollars, because the amendment implicitly recognised the breakaway region as a separate entity.

Several newspapers in the Azeri capital Baku also urged the authorities to refuse the aid.

Azerbaijan has had to cope with up to one million refugees from the conflict over Nagorno-Karabakh.

Under an earlier congressional act, the United States cut off official aid to Azerbaijan because of Baku's economic blockade of Armenia.

Despite the ban, the U.S. maintained indirect humanitarian assistance to Azeri refugees through the Red Cross and other non-government organisations.

But the Azeri authorities have called for a full lifting of the ban, which they say treats them as the only aggressors in the conflict.

Armenians in Nagorno-Karabakh launched a secession bid in 1988, triggering a six-year war that left more than 20,000 people dead and 500,000 displaced. A shaky ceasefire has been holding in the region since May 1994.

Armenian forces control not only Nagorno-Karabakh but also significant other parts of Azerbaijan's territory. Most Azeris have been driven out of the occupied areas.

Azerbaijan: Nagorno-Karabakh President Kocharyan Interviewed

PY0806004196 Montevideo EL OBSERVADOR in Spanish 25 May 96 p 20

[Interview with Nagorno-Karabakh President Robert Kocharyan by Martin Sarthou; place and date not given]

[FBIS Translated Text] [Sarthou] As the Karabakh mountain range has not been internationally recognized as a republic, what is Karabakh's status among the Transcaucasian states?

[Kocharyan] There are two issues that must be clearly sorted out. One issue involves legal international recognition. The other issue involves de facto international recognition. Our relations with Armenia are very close. Our relations with Armenia are realistic, without any type of problems. In a nutshell, our Republic has received de facto recognition.

[Sarthou] And what kind of political, economic, and military support are you receiving from Armenia?

[Kocharyan] We are committed to establishing a common economic space between Nagorno-Karabakh and Armenia. The economies of the two states are very similar and very close. In our opinion, this feature is mutually beneficial, bearing in mind that a cruel blockade had been imposed on Armenia for various years.

Of course, military structures are different. Our laws concerning the Army and military issues are different.

Bearing in mind that we are a country at war, despite the current truce, the military service duties in Karabakh and Armenia are different.

[Sarthou] How does Karabakh view the attempt being made by some former Soviet republics to reestablish the USSR?

[Kocharyan] I don't believe this decision should be made at the level of leaders alone. If the nations express themselves through a plebiscite, which actually expresses the people's goals, it would be a decision made by the nations, and it should be respected.

I am not sure if this type of movement has serious grounds or if it involves a certain goal of reestablishing some economic spaces, following the destruction of the former economic structures.

[Sarthou] Barely one month before the upcoming elections, how does the Russian political scene, with Zyuganov and the neo- communists in power, affect your Republic?

[Kocharyan] The Communist Party of Russia's platform clearly expresses that they [the communists] pursue the goal of reestablishing the former USSR. At that time, Nagorno-Karabakh was part of the Soviet Socialist Republic of Azerbaijan. After an eight-year war, we have gained freedom and now we are an independent state.

If this trend [of reestablishing the former USSR] involves reinstating us under Azerbaijan's dominion, I would tell you that I am radically against it. I believe, however, that it is fairly venturesome to make this type of conjecture. What kind of policies will the communists implement, if they are elected, after the elections? This is what really matters.

Therefore, it is necessary to wait and see what happens in the upcoming elections, without the slightest panic.

[Sarthou] Would a communist victory represent a dangerous element or a setback for the Armenian issue?

[Kocharyan] I am actually recounting the efforts made between 1988 and 1991 by the Soviet Army that was stationed in Karabakh. After instituting the state of emergency, the Soviet Army actually attempted to undermine our resolve.

These new communists have still not expressed themselves about the Karabakh issue. As far as I can see, they are very cautious when it comes to expressing themselves about anything concerning the Armenian issue.

I prefer not to pass any compromising judgment, but there could be dangerous changes or setbacks in the wake of a communist victory in Russia.

Azerbaijan: Aliyev Comments After Meeting Japanese Oil Chief

NC0706161896 Baku TURAN in English 1500 GMT 7 Jun 96

[FBIS Transcribed Text] Baku/07.06.96/TURAN—"Azerbaijan intends to develop and strengthen its relations with Japan", President Aliyev said yesterday while receiving President (Senior Administrative Director) of Japanese oil company "ITOCHU Corporation", Mr. Koji Nojima.

President Aliyev mentioned that for the past time bilateral relations, in particular, in field of oil, are developing rapidly.

Important steps towards strengthening of bilateral relations have been taken. Mr. Koji Nojima thanked President Aliyev for that. President of "ITOCHU Co" has stressed the role of President Aliyev in adoption of resolution on giving Japan the share in the "contract of century" on development of "Azeri", "Chirag" and "Guneshli" oil-fields.

"I think the work that your and our sides have done gives the reasons to hope that development of our cooperation will be fruitful", President Aliyev said.

He noted that participation of ITOCHU in the contract of 1994 on development of "Azeri", "Chirag" and "Guneshli" oil-fields has been the first step in this direction. "We are ready to discuss concrete issues of further expanding of our cooperation", Azeri President noted.

Then the meeting continued behind the closed doors.

As the reliable western sources told TURAN Agency ITOCHU has put forward a commercial proposal on independent development of one of oil-fields in the Azeri section of the Caspian. At the same time, the representatives of ITOCHU continue negotiations with the Western companies on re-assignment of their shares in the consortiums for development of "Azeri", "Chirag", "Guneshli", "Karabakh" and "Shah-Deniz" oil-fields.

Previously ITOCHU purchased the whole share of American company McDERMOTT and part of share of American Pennzoil company in the "contract of century" on development of "Azeri", "Chirag" and "Guneshli" oil-fields.

Azerbaijan: New Publication Sees Iran as 'Motherland of All Azeris'

LD0906105696 Tehran IRNA in English 0604 GMT 9 Jun 96

[FBIS Transcribed Text] Baku, Jun 9 (IRNA) — A new publication printed in Baku, Republic of Azerbaijan, has described Iran as the motherland of all Azeris and the Islamic Republic as their national government.

LIBERAL, in its first issue in an article titled "Iran Is the National Government of Azeris" has also criticized propagation of pan-Turkism. LIBERAL added that writers of such articles are playing with the fate of all Azeris.

The paper, published by Laleh Showkat Haji Ava, leader of the Liberal Party, added that the people of the Azerbaijan Republic should consider both the Iranian and Azeri Governments as their national government.

Georgia

Georgia: Commander Says Russia Will Try To Legalize Military Bases

LD0806132796 Tbilisi IPRINDA in Georgian 1200 GMT 8 Jun 96

[FBIS Translated Text] Tbilisi, 8 June — An IPRINDA correspondent reports that Major General Vasiliy Belchenko, deputy commander of the Group of Russian Troops in the Transcaucasus, held a news conference today to discuss a meeting of the Russian Defense Ministry collegium in Moscow on 28 and 29 May. The main topic of the meeting, which was attended by President Yeltsin, was military reform. Belchenko said the Russian army presently has 1.7 million personnel. As a result of military reform, the Russian Army will become increasingly professional by the year 2000. At the meeting, Fedor Reut, commander of the Group of Russian Troops in the Transcaucasus, was awarded a medal for distinguished military service.

In the upcoming Russian presidential elections, 11,000 servicemen from the Transcaucasus Military District will take part. Everything is ready for the voting to proceed normally.

Asked by a journalist whether Russia is ready to restore Georgian jurisdiction in Abkhazia in exchange for bases in Georgia and part of Georgia's [arms] quota [under the CFE Treaty], Belchenko said: "We will do everything to legalize the Russian military bases in Georgia."

He again expressed dissatisfaction that the Russian troops were not able to mark the 75th anniversary of their organization in the Transcaucasus in the manner they wanted, and said that "Georgia and Russia have been destined to stay together since 1798."

Georgia: Shevardnadze Meets Delegation From Japanese Fuel Company

LD0806111996 Tbilisi SAKINFORM in Russian 0955 GMT 8 Jun 96

[FBIS Translated Text] [No dateline as received] — On 7 June, Georgian President Eduard Shevardnadze received a delegation from Japan's Itochu Fuel Corporation, currently on a visit to Georgia. Giorgi Chanturia, the chairman of the Georgian International Oil Consortium, took part in the meeting.

The meeting discussed issues connected with the transit of Caspian oil through Georgia, prospecting for and extracting oil in Georgia, revitalization of the country's power system, as well as the use of ecologically clean alternative energy sources. The delegation members said that they could not say at this stage where in Georgia's power and engineering sector their company would decide to invest, but they considered that all the projects presented to them were interesting.

It was decided that in the near future a group of experts from the Itochu Fuel Corporation would visit Georgia and study in detail projects for making use of solar and wind power.

Georgia: Turkish Intelligence Deputy Chief on 'Working Visit'

LD0706162596 Tbilisi IPRINDA in Russian 1355 GMT 7 Jun 96

[FBIS Translated Text] Tbilisi, 7 Jun — According to the press center of the Georgian Security Ministry, a delegation of the Turkish special services led by the service's deputy chairman Ozden Peksavash is currently on a working visit in Georgia. Today, the delegation was received by Security Minister Shota Kviraia. He briefed the guests on the current situation in Georgia and noted that, compared with previous years, the situation in the republic has stabilized. This has created the opportunity to develop the economy further and to establish active cooperation with neighboring countries.

The guests expressed the wish for active and constructive cooperation between the special services of the two countries. They handed to the Georgian security minister an invitation to visit Turkey by the Turkish special services chairman Sonmez Koksal.

It was mentioned at the meeting that the relations already existing between the two countries and their presidents will develop further, which in itself would assist the cooperation between the two countries' special services.

Estonia

Estonia: Government Approves European Integration Plan

LD0706111196 Tallinn Radio Tallinn Network in Estonian 1000 GMT 7 Jun 96

[FBIS Translated Text] The government has approved the action plan for integration with the European Union. According to European affairs Minister Endel Lippmaa, the action plan proceeds from the obligations in the European Association Agreement and the European Commission's white paper. Lippmmaa said that the document does not lay emphasis solely on reforms in general; instead it devotes more attention to the institutional and legal aspects of the economic reform process, as well as to the administrative reform.

Estonia: Opinion Poll Probes Public Views on European Union

LD0706121696 Tallinn Radio Tallinn Network in Estonian 1700 GMT 6 Jun 96

[FBIS Translated Excerpt] Results of an opinion poll on the European Union [EU] were presented at the Foreign Ministry today. Here is Uku Toom with details:

[Toom] The poll on the EU was carried out within the framework of a larger survey, Estonia today, by the Turu-uuringute [market research] joint-stock company, with 1,000 persons questioned. It emerges that if a referendum was called here 72 percent of the people would turn up. Of those, 66 percent support joining the EU and 34 percent oppose this. And so, one can already speak about established EU supporters as well as Eurosceptics.

And so, who is in favor of Estonia becoming a EU member? Men considerably more than women, Estonians slightly more than non-Estonians. By their place of residence, it is mostly the people of Tallinn who support membership; by education, it is the people with university education; by income, it is the people who earn between 2,000-3,000 kroons a month; by social status, it is managers, businessmen, and the unemployed. To me the biggest conflict seems to be that by social status pensioners oppose membership most of all, but by age the people aged between 60 and 74 are its biggest supporters.

There was also a question as to what people expect most of all from the membership. The largest number of people thought that this would ensure security for Estonia. At the same time the people are not at all convinced that membership would result in stable relations with Russia. When asked whether membership would kill local cultural life and [industrial and farming] production, most respondents preferred to give a positive response; that is, in the negative. There was a scant majority of the people who think that joining the EU would not result in a dependence of the kind as was the case with the Soviet Union. [passage omitted]

Estonia: Several Issues Still Unresolved Following EU Plan Approval

LD0706135196 Tallinn Radio Tallinn Network in Estonian 1200 GMT 7 Jun 96

[FBIS Translated Text] The Government yesterday approved its action plan to integrate with the European Union [EU]. Here is a report from Anne Osvet which provides details of the plan.

[Begin recording] [Osvet] The action plan proceeds from the obligations enshrined in the European Association agreement and the European Commission's white paper. The completed action plan is a document of 80 pages, with 150 pages of tables added. The tables demonstrate how our laws have been harmonized with the rules of the internal EU market. Nearly 100 officials from all Estonian ministries worked on the document for four months. Here is Ambassador Riivo Sinijarv:

[Sinijarv] Previously we have had numerous political decisions. Although it was never in doubt that joining the EU is a priority, this priority has now become a reality, with the government's considered policy also described in writing.

[Osvet] The Estonian white paper has been completed. However, several questions remain unresolved. Here is European Affairs Minister Endel Lippmaa:

[Lippmaa] One of the key questions which we have not resolved and which must be resolved is that of the border. Our current border differs very substantially from the Schengen border, that is, from the true EU border. Both in southeastern and northeastern Estonia, free border crossing on the strength of lists of names is in practice for thousands of individuals. This is in conflict with the EU rules.

Another issue currently unresolved is that of customs duty. Our action plan does not at the moment contain institutional steps, and very significant legislative steps, stemming from the European agreement, which says — as is known — that we have to harmonize our customs duty structure with that of the EU, and this has not been done since there are curious differences of opinion about the customs duty in Estonia.

[Osvet] The third issue highlighted by Endel Lippmaa is the still unresolved issues of concessions and monopolies. An example of a concessionary agreement is the one concluded on 16 December 1992 between the

Estonian Government and the Estonian Telephone joint-stock company. However, both monopolies and concessionary agreements should be invalid from 1 Janruary 1998. Here is Endel Lippmaa.

[Lippmaa] If we conclude a European agreement which has dates in it, then we must also stick to them. If we hold talks with the World Trade Organization [WTO] and it stipulates that there must be customs books, that is tables drawn up on customs duty ceilings and maximum prices, then we must do so and approve them. We cannot simply say that we will not do so.

[Osvet] Customs duty tables must be drawn up in any case, but this does not yet mean that customs duties must be imposed, the minister for European affairs said and added:

[Lippmaa] In respect of protective duties things are like this: they may be imposed within the limits agreed with the WTO, but nobody will force us into imposing them. These are two separate issues. The agreements will stipulate duty ceilings and maximum prices. What our farmers talk about is the implementation of protective customs duty.

[Osvet] The complex nature of the issues becomes evident from the fact that Estonia must harmonize with the EU a total of 20,000 legislative acts. As a matter of priority, 1,000 are definitely required. Some 50 acts have already been harmonized. It is expected that at least another 50 will be harmonized by the end of the year. [end recording]

Latvia

Latvia: Birkavs: NATO Entry May Counter Increased Russian Presence

LD1006123196 Moscow INTERFAX in English
1146 GMT 10 Jun 96

[FBIS Transcribed Text] RIGA, June 10 (Interfax) — Latvia may counter an increased Russian military presence on its border by speeding up its integration into NATO, Latvian Foreign Minister Valdis Birkavs said on local radio Monday, commenting on the memorandum on mutual understanding signed by the United States and Russia June 1.

The memorandum states that changes need to be made in the Conventional Forces in Europe Treaty, including the increase of Russian armed forces at its extremities (the Leningrad and North Caucasus military districts).

Russia could increase its military contingent in the Pskov region, which borders with Latvia, by 276 percent, Birkavs said.

Russia's striving to increase its military presence to the North "can be understood as the promised counteraction against the NATO expansion process," Birkavs had said earlier.

The Latvian Foreign Ministry especially expressed particular concern over Russia's intention to increase the number of tanks in the Pskov region from 180 to 600.

Latvia: Ulmanis: NATO Expansion Plan Should Be Clearly Defined

LD0706171696 Moscow INTERFAX in English
1520 GMT 7 Jun 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] It is necessary to specify which countries and when will be admitted to NATO, President Guntis Ulmanis told Polish Defense Minister Stanislaw Dobrzanski Thursday. The minister was in Riga on a two-day visit.

The president said this must be done because the countries, which applied for NATO membership, must be sure of their future security, sources at the presidential press service told Interfax Friday.

Ulmanis thinks the role of the Baltic Sea states in Europe will "increase day by day," but their integration with NATO can boost this process.

The minister said NATO expansion will be done in several stages. The countries, which are not admitted to the alliance at the first stage, can still hope for admission, he said.

Recent statements of NATO leaders prove Poland can be admitted to the alliance at the first stage of its expansion, and this is not the matter of far future, said the minister.

He noted the criterion for integration with NATO will be the level of democracy and economy of the country-applicant and its relations with the neighbors, not the state of its armed forces.

Latvia: Prime Minister 'Pessimistically Views' Border Disputes

WS1006100596 Tallinn BNS in English
1653 GMT 7 Jun 96

[FBIS Transcribed Text] Riga, June 7, BNS — Latvian Prime Minister Andris Skele pessimistically views resolving of the country's border disputes with Estonia and Lithuania.

Skele says in an interview, published by the daily DIENA (the Day) on Friday, he is not convinced that the

Latvian-Estonian border dispute will be resolved in the near future, although he hopes for a positive outcome.

"The reached agreement is rather disadvantageous for both sides. It is a compromise. I think that this dispute, which has lasted for nearly five years, has been dragging on for too long, and our fishermen have been losers all this time," says Skele.

In turn, talks with Litnuania are unsuccessful, admits the prime minister.

"It seems that we have arrived at an impasse. That can be linked the Lithuanian parliamentary elections, scheduled for the fall. Many difficulties are connected with elections. Also our country would be more stable if the time period between elections was longer," considers Skele.

The Latvian-Estonian sea border dispute arose on March 10, 1993, when the Estonian parliament unilaterally set the country's sea border with Latvia. In spring of 1994, Estonian border guards began to guard the unilaterally set border and did not allow Latvian fishermen to fish in their traditional fishing areas.

After unsuccessful Latvian-Estonian negotiations, both countries' prime ministers met in Vilnius on Apr. 14 and agreed that a common fishing area will be set up in the disputable zone of the Riga Gulf, and that Estonian border guards will not disturb Latvian ships in it.

Estonian Premier Tiit Vehi announced on May 4 that Estonia unilaterally "freezes" the reached agreement.

With that Estonia announced that Estonian fishing rules are in force in the disputable zone, and asked several Latvian boats to leave the common fishing area on May 2-3.

On May 12, premiers agreed in Rujiena on a mutually acceptable border line, which lies between Estonia's unilaterally-set sea border and the Latvian government's determined temporary fishing border line. A border agreement is being currently drafted, and will later have to be ratified by Latvian and Estonian parliaments.

The Latvian-Lithuanian negotiations began after a mutual agreement on land borders was signed in 1993, and this agreement determined that sea borders are to be defined in a separate document.

Disagreement sprang up between Latvia and Lithuania in the fall of 1995, when the Latvian government signed a licence agreement with the U.S. company AMOCO and the Swedish firm OPAB on oil extraction in the continental shelf of the Baltic Sea.

Latvia and Lithuania have had three rounds of talks, but a concrete agreement has not been reached as yet.

On April 30, 1996, the Latvian government approved in principle ratification of the agreement with AMOCO and OPAB in the Saeima. A respective bill was submitted for consideration to the parliament in the middle of May.

If the Latvian parliament fails to ratify the agreement until Oct. 31, AMOCO will have the right to breach it.

Under the agreement, AMOCO and OPAB will be entitled to drill for oil in the continental shelf of the Baltic Sea, but only after the Latvian-Lithuanian sea border is delimited.

If oil was found, Latvia would get 10 percent of profit by not investing its resources in the research work, according to the agreement.

Latvia: Polish Defense Minister on Regional Security

LD0706154296 Riga Radio Riga Network in Latvian 1400 GMT 7 Jun 96

[FBIS Translated Text] Creating constructive and [word indistinct] relations with Russia is in the interests of European security and stability, concluded Polish Defense Minister Stanislaw Dobrzanski, and Foreign Affairs Minister Juris Sinka, at a meeting today. The ministers pointed out that stability is largely promoted by Russia's readiness for cooperation with European organizations and NATO, (refraining) from these types of games of the past. They also expressed fears about the opportunity created for Russia to increase its military potential in the immediate vicinity of the Baltic countries' borders.

Latvia: Cooperation Accord Signed With Estonian, Russian Districts

LD0806111196 Riga Radio Riga Network in Latvian 0900 GMT 8 Jun 96

[FBIS Translated Text] Representatives of local authorities from border districts of Latvia, Estonia, and Russia have signed a cooperation agreement. A cooperation council has been formed, with the participation of representatives from the Polva and Virumaa regions of southeastern Estonia, Balvi and Aluksne districts in Latvia, and Pechory and [name indistinct] districts in the Pskov Oblast of Russia. In cooperation, major attention will be paid to [word indistinct] and environmental protection.

Latvian-Estonian border dispute will be resolved in the near future, although he hopes for a positive outcome.

"The reached agreement is rather disadvantageous for both sides. It is a compromise. I think that this dispute, which has lasted for nearly five years, has been dragging on for too long, and our fishermen have been losers all this time," says Skele.

In turn, talks with Litnuania are unsuccessful, admits the prime minister.

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Latvia: PRC Vice Premier Holds News Conference on Cooperation Plans

LD0706172996 Riga Radio Riga Network in Latvian 0900 GMT 7 Jun 96

[FBIS Translated Text] The aim of the visit by Chinese Vice Premier Li Lanqing is to develop contacts with Latvia in the political, economic, scientific, technical, and cultural spheres, the Chinese vice premier stated at the start of his visit. Today several agreements are being signed.

At a news conference which (?immediately) followed the signing of an agreement on cooperation in science and technology, and one on the avoidance of double taxation in relation to income and capital gains tax, PRC Vice Premier Li Lanqing and Latvian Deputy Prime Minister Ziedonis Cevers expressed appreciation of the significance of these documents, which are a basis for long-term cooperation between the two countries and for the development of the investment program. The Chinese vice premier repeated that he is interested in making use of the ports of Liepaja and Ventspils. Therefore during this visit the deputy mayor of Shenzheng, one of the largest towns in the Chinese free economic zone, discussed these opportunities with Latvian representatives. The guests have also brought gifts from China for Latvian schools — 350 computers. Apart from that, evidently one of the ports will receive equipment for a communications center, with 2,000 subscribers. After the news conference the Chinese vice premier was to visit the Saeima.

Latvia: Chinese Vice Premier Completes Visit

LD0906051196 Moscow Radio Rossii Network in Russian 0300 GMT 9 Jun 96

[FBIS Translated Text] Chinese Vice Premier Li Lanqing has completed an official visit to Latvia. Our correspondent reports that agreements on exemption from dual taxation and on cooperation in science and technology have been signed. Chinese experts are to install a telephone exchange with 2,000 lines in Latvia.

Lithuania

Lithuania: Opposition Attacks Russian, U.S. Deal on CFE Treaty Changes

LD1006115796 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 10 Jun 96

[FBIS Translated Excerpt] According to Vytautas Landsbergis, leader of the Homeland Union (Lithuanian Conservatives) Party, we will now have to tell every international forum that the Baltic countries are entitled to receive from the West 600 antitank mines. He stated this at a news conference today in the Seimas [Parliament].

Landsbergis commented on the agreement between Russia and the United States on the amendments to the Conventional Forces in Europe [CFE] treaty. According to the agreement, Russia will have a right to deploy 600 tanks in its northwestern territories, Pskov Region, instead of the previously allowed 120 tanks.

At the end of the last week, Vytautas Landsbergis took part in a meeting of the foreign affairs and security committee of the Baltic Assembly in Riga. A statement was adopted at the meeting. The document said the agreement between Russia and the United States on the changes to the CFE treaty violates the strategic balance between Europe and Russia. Yet another issue outlined in the statement, which Vytautas Landsbergis also mentioned at the news conference was a secret protocol which accompanies the Russian and U.S. agreement. Neither the contents of the protocol nor the possible consequences of the implementation of the documents are clear.

Vytautas Landsbergis noted that the foreign affairs and security committee of the Baltic Assembly addressed the Nordic Council and other inter-parliamentary bodies, asking that they recommend to the respective governments to make sure that the Baltic countries are compensated for the loss of the security balance.

Vytautas Landsbergis intends to remind participants at an international conference in Paris later this week about the 600 antitank mines that are due to the Baltic countries. The conference will discuss European security problems. Landsbergis will mention the antitank mines again in London, at the commemoration of the tragic June events in the Baltic countries.

Landsbergis described as good news the draft law on NATO enlargement, which has been presented to the U.S. Congress. At the same time, Landsbergis urged the Lithuanian diplomats and the Lithuanian emigree community representatives to put in every effort to see that Lithuania is included into the first group of the countries to join NATO. [passage omitted]

Lithuania: Vilnius Complains Baltics' Role in Bosnia Being Ignored

LD0806150796 Vilnius Radio Vilnius in English 2130 GMT 7 Jun 96

[FBIS Transcribed Text] Lithuania is dissatisfied that its role in Bosnia is being ignored and Lithuanian representatives were not invited to take part in the international conference on peace initiatives in the former Yugoslavia.

Lithuanian diplomats were surprised but believe it was a bureaucratic error and not a political snub. Representatives from 45 countries will meet in Florence, Italy, in mid June to evaluate the peacemaking process in Bosnia-Herzegovina. The Baltic states, unlike the other countries taking part in the peacemaking process, were not invited.

The conference is organized by the European Union, whose present chairman is Italy. Lithuania has already sent four peacekeeping platoons to the former Yugoslavia and will send a 145 men company to Bosnia this September. This past April one Lithuanian soldier was killed in Bosnia when his vehicle drove over a mine.

A Lithuanian representative works at the Organization for Security and Cooperation in Europe organizing civilian peace missions in Bosnia. Lithuania's participation in the peacemaking mission in Bosnia has been highly evaluated by the United States and the European Union countries.

Lithuania: Envoy Signs Conventions on Terrorism, Borders, Education

LD0806134296 Vilnius International Service in Lithuanian 1900 GMT 7 Jun 96

[FBIS Translated Text] Lithuania has signed three European conventions. Aurimas Taurantas, Lithuanian Ambassador to the Council of Europe and Daniel Tarschys, Council of Europe general secretary, signed a convention to battle terrorism. This convention foresees the expedition of terrorists, such as skyjackers, hostage takers, bombers, and those who commit other acts which endanger human life and freedom

The second convention concerns border cooperation. The third convention guarantees that diplomas received in universities and institutes will be recognized in all countries that are signatories of the convention.

Lithuania is the first of the three Baltic states to sign these conventions.

Lithuania: Poles Demand Restitution of Land

WS0706133296 Tallinn BNS in English 0919 GMT 7 jUN 96

[FBIS Transcribed Text] Vilnius, Jun 7, BNS - Around 500 Lithuanian Poles held a rally Thursday on the Independence Square outside the parliament building in Vilnius to protest against a law on extension of the capital's boundaries and to demand "restitution of their land."

The demonstrators, called together by the Polish Electoral Action, held placards reading "Bolsheviks in the Seimas, Give Back the Land to its Owners," "Executors of Land Affair Must be Brought to Trial," "Down with Communist Mafia," "We Won't Give Up Our Land," etc.

Before the rally, leaders of the Polish Electoral Action Jan Sinkevic and Voldemar Tomasevski met with Lithuania's parliamentary Speaker Ceslovas Jursenas over the issue of extension of Vilnius boundaries.

Tomasevski told BNS their meeting with Jursenas "was a weighty step towards a resolution of the problem."

The Lithuanian Poles' organization has earlier held similar protest demonstrations twice.

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